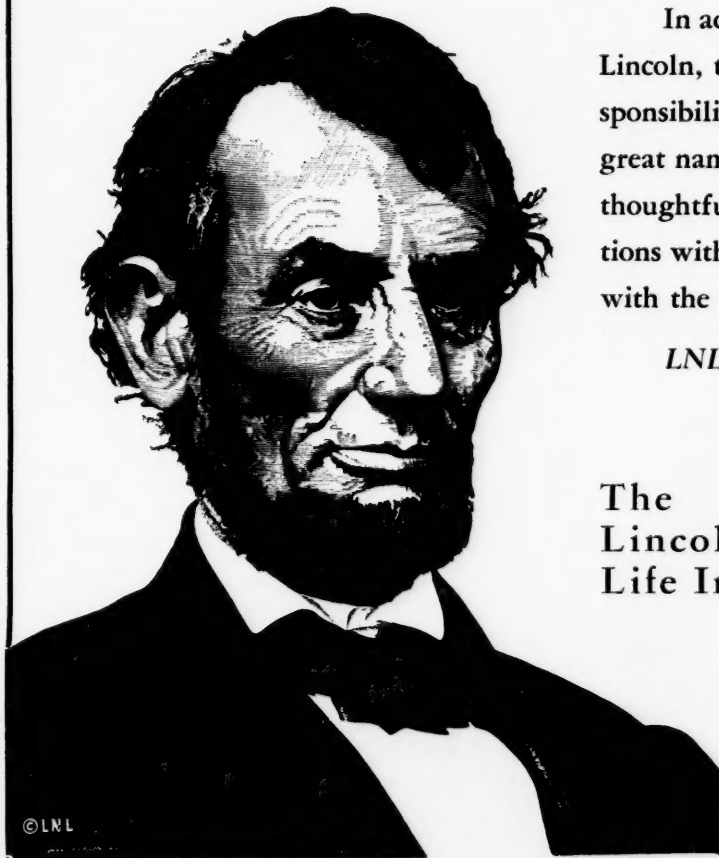


# *The* NATIONAL UNDERWRITER

*Life Insurance Edition*

## Its Name Indicates Its Character



In adopting the name of Abraham Lincoln, this company assumed the responsibility of measuring up to that great name in character, integrity, and thoughtful, human service—in its relations with its representatives as well as with the public.

*LNL is geared to help its field men.*

The  
Lincoln National  
Life Insurance Company

Fort Wayne, Indiana

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FRIDAY, JANUARY 8, 1954

## Sixtieth Year of Dependable Service

★ The State Life Insurance Company has paid \$186,000,000 to Policyowners and Beneficiaries since organization September 5, 1894 . . . The Company also holds over \$81,500,000 in Assets for their benefit . . . Policies in force number 103,000 and Insurance in force is over \$220,000,000 . . . The State Life offers splendid agency opportunities—with liberal contract, and up-to-date training and service facilities—for those qualified.

☆ ☆ ☆

## THE STATE LIFE INSURANCE COMPANY

Indianapolis, Indiana

MUTUAL LEGAL RESERVE FOUNDED 1894

ANICO representatives are Anico's best advertisements

R. H. THORNE, Manager, Los Angeles Ord. Agency

Richard H. Thorne has built the largest Anico Ordinary Agency on the West Coast and is one of the foremost examples of the Anico career. Dick came with Anico in January of 1942 as an agent under the Salt Lake City Agency. Success in selling brought promotion to supervisor. Success in recruiting and training gave him his chance to build an agency and he was appointed Manager of a territory centered in Los Angeles in April of 1945. Today, his agency leads the West Coast and is always among the top five nationally for Anico. His record is another of the fine examples in our field force of the opportunities for success Anico affords the able and ambitious.



You can grow with ANICO

- ★ A working contract that permits outstanding earnings.
- ★ Policies that stand out in value against any competition.
- ★ A management philosophy that is based on the axiom that a company succeeds only when its agency force succeeds.
- ★ The most modern and effective selling aid program that can be devised.

Over 2½ billions of life insurance in force

For information without obligation address "Executive Vice-President"

AMERICAN NATIONAL Insurance Company

W. L. MOODY, JR., PRESIDENT GALVESTON, TEXAS

## We help you turn prospects into friends, because it's easier to turn friends into Policyowners

Pan-American Life Insurance Company offers the following:

Fine training  
Excellent sales aids  
One of the Finest Direct Mail Plans (Proven through the years)

Highly competitive merchandise  
Career contract for career men  
(Proven through the years)

In Addition —

Unexcelled Home Office Underwriting and Service

Pan-American's liberal compensation plan includes:  
NON-CONTRIBUTORY

1. Group Life Insurance
2. Group Hospitalization for Representatives and Their Families
3. Pension Plan
4. Disability Benefits

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PAN AMERICAN  
LIFE INSURANCE CO.



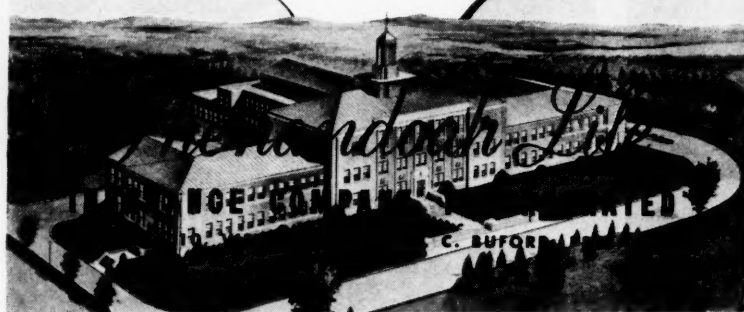
NEW ORLEANS, U. S. A.

## This We Believe

- That a new and modern compensation plan is necessary for qualified underwriters to meet present day economic conditions. We have such a plan.
- That it is our responsibility to pursue a policy of expansion that will provide ample opportunity for our field men who may become interested in managerial positions.
- That it is our responsibility also to provide career contracts, liberal first year commissions, vested renewals unsurpassed, bonus on quality business, and an attractive retirement plan. For more information,

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# The NATIONAL UNDERWRITER

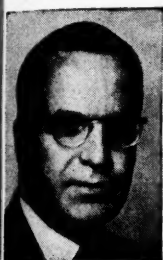
The National Weekly Newspaper of Life Insurance

January 8, 1954  
58th Year, No. 2

## N. W. Mutual Closes 1953 With Record New Business Total

**Fitzgerald Tells Eastern  
Agents' Rally Prospects for  
New Year Are Promising**

NEW YORK—Northwestern Mutual Life agents from 14 New England, middle and south Atlantic states at their eastern regional meeting heard President Edmund Fitzgerald report



Edmund Fitzgerald

that the company closed 1953 with a record volume of new business. Mr. Fitzgerald said the company views the past 12 months with satisfaction and, in launching its 1954 program, looks to the future with confidence.

Grant L. Hill, vice-president and superintendent of agencies, said Northwestern's 1953 record production totaled \$519,700,000, an increase of 6%. December showed a 10% increase, with a volume of \$57,600,000. Mr. Hill said the company has had an increase for 22 of the past 23 months.

Mr. Fitzgerald said the company had an improvement in average size of policy, a satisfactory gain of insurance in force, a somewhat better mortality ratio, and improved interest earnings up to 3.35% or better. In spite of mounting expenses and taxes, larger amounts will be paid in dividends in 1954 and a respectable gain in surplus is expected. Investment accounts are remarkably free of trouble cases.

In listing several specific development items for 1954, Mr. Fitzgerald said from the standpoint of organization planning and staffing there is no need for major changes, but rather an emphasis on bringing into play the company's full potential. The investment department's goals are substantial for new mortgage loans and advance bond commitments, he said. The commitments have been made at rates somewhat more favorable than those obtaining now.

From the field standpoint, Mr. Fitzgerald remarked the company is hopeful the trend to induction of more men of promise will continue. "We are sure to have less mass selling in the pension trust business and we must offset that amount by intensive individual selling," he said.

Another area in the final stages of preparation is that of application forms and an ownership policy, Mr. Fitzgerald commented. "There will be a short form juvenile medical examination blank, and all of the other application forms have been simplified and improved in appearance. We expect the use of the new forms will

(CONTINUED ON PAGE 16)

## Occidental, Cal., Now Writing Group Major Medical

Occidental Life of California has entered the group major medical field with a plan that has a \$5,000 limit per insured person, a new multiple surgical schedule, liberalized malignancy benefits to cover recurring claims, and a deductible feature which limits losses to the family unit to twice the deductible during any benefit year. The plan may not be superimposed on any existing group health program.

The deductibles of either \$50, \$75 or \$100 apply to any one benefit year, and not per disability. The total deductible for the family unit in any benefit year will never be more than twice the amount deductible for the employee regardless of the number in the family unit.

Occidental will install its plan when at least 75% of the eligible employees (a minimum of 35 insured) have enrolled. It will not be underwritten without a substantial employer contribution, 50% being the recommended amount. Free choice of physician and surgeon is automatic, and no medical examination is required.

The plan embraces a basic surgical schedule with a \$450 limit for any operation for employees earning under \$500 a month, 125% of the schedule for those earning between \$500 and \$750, 150% from \$750 to \$1,250 and 200% or \$900 for employees earning more than \$1,250 per month. Other schedules are available to meet local requirements.

The malignancy benefit provides for surgical procedures, irradiation and chemotherapy performed in connection with the malignant condition. Where two different malignancies in two separate primary sites occur, benefits are allowable for both. If the malignancy recurs at the primary site after a full treatment which resulted in the arrest or apparent eradication of the malignancy, a further sum on account of all malignancy at the primary site is payable, up to twice the amount specified in the schedule. In addition, should the malignancy spread to secondary sites, a still further sum for treatment is payable.

All charges made for a bed in a 3-bed ward are payable for an unlimited period. Insured are required to pay 10% of the charges for special hospital services. The policy pays the full amount for use of an iron lung, \$50 maximum for each period of hospital confinement for ambulance charges, up to 20% of the applicable surgical benefit for anesthetic fees, 75% of the cost of prosthetic appliances, and covers laboratory and x-ray examinations in or out of the hospital as per schedule.

Though benefits for normal childbirth are not included, hospital benefits are payable beginning with the eighth day of hospital confinement. Amounts also are payable under the surgical schedule for extra-uterine pregnancy or Caesarean section. A schedule is included covering treat-

## LIA Seeks Role in Guardian Appeal on Building Ban

NEW YORK—Life Insurance Assn. of America Tuesday sought permission from the appellate division of the New York supreme court to intervene as a friend of the court in the appeal of Guardian Life from Superintendent Bohlinger's ban on the company's plan to use its White Plains, N. Y., real estate for home office purposes pending the construction of a permanent home office building in the White Plains area.

LIA asked leave to file a brief on the ground that the opinion of the lower court made last July was an erroneous expression of the insurance superintendent's power under the law to disapprove purchases of real estate for a company's principal office for "such as shall be requisite for its convenient accommodation in the transaction of its business."

Assistant Attorney General Hirshowitz, representing the insurance superintendent, raised no objection to the LIA request. In the absence of opposition, such requests are ordinarily granted. Mr. Hirshowitz had his own brief readied, but asked that since the LIA request is granted, he be allowed 10 days after the filing of the LIA brief to permit him to look it over and possibly amend his brief before filing it. The case will not be argued prior to the February term.

Guardian's brief has been filed. It declares that the trial court was wrong in holding that since the company's purchase of the White Plains real estate was subject to the superintendent's approval, it "is precisely the function and responsibility" of the superintendent "to substitute his sole judgment for the combined judgment, business experience and legal responsibility" of the company's officers and directors, and that the superintendent "must have his own judgment satisfied that the investment is a wise one."

The brief makes the point that the superintendent should have confined himself to deciding whether Guardian's purchase of the property "is requisite for its convenient accommodation in the transaction of its business" but that instead he rejected it on the ground that it was unwise and not in the best interests of the policyholders.

"To accept the lower court's decision" (CONTINUED ON PAGE 16)

ments by a licensed therapist who has been referred to the patient by the attending physician, and the plan pays up to 50% of registered nurse expenses, except for pregnancy.

For doctor calls, the plan, according to geographical areas, pays up to \$7.50 for home treatments, \$5 for treatments while confined in a hospital (for both employees and dependents) and \$5 for treatments at a doctor's office. The latter benefits are applicable to the employee only, and then when he is disabled and prevented from following his normal occupation.

## Life Insurance Use OK in Profit Sharing Retirement Plans

**Insurance Investments  
Won't Adversely Affect  
Tax-Exempt Status**

WASHINGTON—A favorable ruling by the internal revenue service making possible the use of ordinary life insurance contracts as investments by trustees in administering tax-exempt profit-sharing retirement plans has been sent to the Washington office of American Life Convention and Life Insurance Assn.

The ruling follows lengthy consideration by the service (formerly the bureau of internal revenue) of a typical retirement plan with life insurance investment features submitted by the two organizations last February. ALC-LIA requested a ruling that such a plan qualifies for tax exempt status under section 165 (a) of the internal revenue code. The plan provides for investment in ordinary life policies by the plan's trustee of up to 50% of the business profits allocated by an employer to an employee profit-sharing plan, and for conversion of the life insurance policies by the trustee to retirement income contracts when the employee retires.

Approval of the plan was viewed by life company officials and pension experts as a further demonstration of the social usefulness of life insurance and the wide variety of purposes it can serve. The favorable internal revenue ruling follows a protracted period of uncertainty as to the tax status of such plans. During this period, letter rulings issued by the internal revenue pension trust division had held that similar plans did not qualify under section 165 (a). The new ruling, however, was issued at top levels within IRS and promulgated by Internal Revenue Commissioner T. Coleman Andrews in a letter ruling to ALC-LIA stating that such plans will qualify.

The new ruling opens the plan to wide-spread adoption by many businesses and industries. With its new tax-exempt status, the plan provides great flexibility in the creation and administration of profit-sharing plans. The tax ruling opens the door for broad use of profit sharing plans with life insurance investment features so long as the main objective is to provide future life income for retiring employees.

At the time the request for the internal revenue ruling was submitted by ALC-LIA, conferences were held by association and company representatives and tax officials, at which the eight point "model" plan, outlining the general operation of the retirement program and specifying the responsibilities of trustees was discussed in detail. It was stressed during these

(CONTINUED ON PAGE 11)



## Richard Rhodebeck Named President of American Life, Del.

NEW YORK—Richard Rhodebeck, former president of United States Life,



Richard Rhodebeck

has been appointed president of American Life of Wilmington, Del., a member of the American International Insurance group.

Mr. Rhodebeck is also a vice-president of American International Reinsurance, where he has charge of life insurance operations.

He joined U.S. Life in 1935 and served as president from 1947 until 1952. The company was formerly affiliated with American International Underwriters. Since its inception in 1921 American Life has specialized in the writing of business abroad in U.S. dollars and other stable currencies. It is entered in Delaware, Great Britain, Hong Kong, Singapore, Malaya, French Indochina, Indonesia, Philippines, Pakistan, Lebanon, Barbados, British Guiana, Jamaica, Trinidad and Tobago, Curacao and Aruba.

Mr. Rhodebeck said the company plans intensive development of the territories in which it is already operating, entry into additional territories and the establishment of a complete life insurance service through foreign offices of the American International interests.

## No Extradition to Georgia to Be Served on MacArthur

Gov. Stratton of Illinois has written Gov. Talmadge of Georgia that he does not believe John MacArthur, president of Bankers Life & Casualty, is a "fugitive from the state of Georgia," and extradition papers will not be served on Mr. MacArthur.

The extradition was asked as a result of several actions brought in Georgia against Mr. MacArthur and James Dunne, publisher of the Insurance In-

dex of Louisville, arising out of publication in the Index of articles considered to have libeled and defamed Zack Cravey, Georgia commissioner, and others. Mr. MacArthur said he resisted extradition because of a "loaded political situation" in Georgia with Cravey up for election this year. He indicated he may go there voluntarily after election.

## Great-West's '53 Sales Jump 8%

Great-West Life's new business in 1953 amounted to \$354,080,600. The record results were 8% ahead of the previous year.

Total business in force reached \$2,393,566,143. The increase of \$261,913,030 in business in force during 1953 was \$21,697,999 more than in 1952.

The 10 leading agents for the year all topped a million dollars of new business. Max Seigler, Montreal, was the leading producer for the third consecutive year. The Chicago branch, headed by Earl M. Schemm, led all agencies, its total production exceeding \$22 million.

## Smith, Assistant V.P. of Equitable of Iowa, Retires

Earl E. Smith, assistant agency vice-president of Equitable Life of Iowa, has retired. He entered the business in 1919 as an agent for New England Mutual at Youngstown, O., and five years later became general agent for that company at Indianapolis. In 1926, he was appointed by Equitable of Iowa to the home office agency department where he has specialized in development of agents and general agents.

Mr. Smith has been commissioned by the company's board to write a history of the company, an assignment to which he will apply himself during the next few years.

## Cuts Immediate Annuity Rates

Connecticut Mutual Life has reduced the rates on its four types of single premium immediate annuities: With-

out refund, with 10 years certain, with installment refund and joint and survivor without refund. The single premium deferred annuity rates have not changed.

## N. Y. Department Has Plan to Preserve IWO Members' Insurance

NEW YORK—Built around a proposed reinsurance of existing contracts by Continental Assurance, a program to preserve the business of the International Workers Order, Inc., and prevent certificate holders from losing their interests in the assets of the order or having their coverage lapse has been adopted by Superintendent Bohlinger of New York, who has sole supervision over the order as liquidator.

Officials of Continental Assurance confirmed the fact that the company agreed to enter into a reinsurance arrangement to protect the certificate holders of IWO and as a public service.

The IWO was ordered dissolved on account of being adjudged a communist dominated organization. Mr. Bohlinger has notified members of the IWO that a proposed contract of reinsurance to continue on the same terms the members' life, sickness and accident insurance after liquidation has been prepared and submitted to the referee appointed by the court.

Pending court approval of the reinsurance contract, members desiring to continue their insurance are required to pay all premiums directly to the national office, 80 Fifth avenue, New York City. Inasmuch as all lodges of the society have been dissolved, members have been told to pay no dues or assessments of any kind to any of the former officers or employees of the national office or of the local lodges. The superintendent as liquidator has billed the members for premiums due through March, 1954, as well as for any past due premiums.

## Volunteer State Makes Changes

Volunteer State Life has reduced its non-participating rates and has introduced several new policies. There are no major changes in cash values. Waiver of premium disability will now be granted single self-supporting women and widows at the same rate as for males.

## LOUNSBURY FORECAST

## Sees Economic Changes Aid to Life Insurance Sales

A decrease in purchasing of such hard goods as automobiles, refrigerators, television sets and other electrical appliances and reduced federal income taxes should provide Americans with more money in 1954 to invest in more life insurance than has been the case previously, declared Ralph R. Lounsbury, president of Bankers National Life and of American Life Convention, in discussing the business outlook for 1954.

With the year 1953 having drawn to a close, certain conditions exist which may be used as the basis for forecast on the business outlook for 1954, Mr. Lounsbury pointed out.

"The index of production activity is sliding off gently at this time. Railroad car loadings are down from the peak and appear to be headed for even somewhat lower levels. Unemployment has increased slightly, and this in spite of the fact that there appears to have been a withdrawal of a few hundred thousand persons from the country labor pool. There is evidence to indicate that many individuals who formerly were employed, particularly housewives, having lost their jobs have decided not to look for further work at this time. Were these persons still in the labor market, seeking jobs, the total amount of unemployment would probably be higher than is currently indicated in various reports. It is quite generally predicted that there will be a further diminution of total business activity. There is, however, an entire absence of any responsible prediction of any serious business recession this year.

"The nature of the recent purchase is making an important change in the national economic situation. The total volume of purchases of hard goods such as automobiles and electrical appliances is down and that trend is continuing one, while the volume of purchases of soft goods and services—apparel, foodstuffs, electricity, gas, etc., is substantially up.

"The indications at this time are quite good from the viewpoint of the life insurance business and for the men and women in the business of selling life insurance policies and annuities. If the persons in the income brackets from \$3,000 to \$10,000 of annual income are now adequately supplied with automobiles, refrigerators, deep freezers, washing machines, television sets, radios and the like, as the nation's markets seem to show, they should have more money available in 1954 to buy more life insurance protection than has been the case previously.

"In addition, it is generally believed that Congress is quite likely to amend tax legislation so that some of the present inequities will be eliminated so far as pension trust business is concerned. Pension funds turned over to

(CONTINUED ON PAGE 13)



Ralph R. Lounsbury



Earl E. Smith

## YOUR STRATEGY OF SUCCESS

Do you plan your work — and then work your plan? Or do you run in circles, always just getting by? Western Life has helped many fieldmen develop a personal working plan that nets them greater satisfaction, more money, and increased security for their family. Western believes your strategy of success must pay off in results — or it doesn't count at all.

With today's high cost of living, every experienced insurance man owes it to himself and his family to get the best possible return on his investment of time. If you think you might be doing better, then let Western tell you *how much better*. We have facts to back every statement we make. Write us today.



E. B. RICHARDSON, Pres.  
LEE CANNON, Agency V.P.

Assets over \$57,000,000 • Insurance in Force over \$250,000,000

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## College Insurance Teachers Give Views on What Basic Course Should Contain

The content, philosophy, approach, and text books for the basic life insurance course in the college curriculum were treated in an entire morning session at the annual meeting of the American Assn. of University Teachers of Insurance held at Washington. Herbert C. Graebner, Butler University, was chairman. Dan M. McGill, Wharton school, Joseph F. Trosper, University of Tennessee, J. Edward Hedges, Indiana University, and Carl H. Fischer, University of Michigan, presented papers.

Mr. McGill discussed what kind of course he'd like to see taught to students who had no previous insurance instruction and would presumably not be getting any more later on. He outlined a semester course of 45 hours divided as follows: monetary value of the human life, one hour; needs, including how much life insurance should be carried, two hours; the level premium theory of life insurance, one hour. Contracts and their uses would get eight hours, subdivided into two hours on term insurance, one on whole life, one on endowments, two on annuities, and two on special contracts.

Mathematical aspects would get 14 hours, divided into one hour on mortality tables, one on mortality trends, three on premium calculations, two on reserve valuation and management, one on modified reserve plans, two on nonforfeiture values, one on nonforfeiture options, two on surplus and its distribution, and one on settlement options.

Selection of risks would get three hours, one on factors affecting risks, one on substandard risks, and one on reinsurance. Special forms would get six hours—one on disability, one on industrial, two on group, and two on government life insurance which although of declining importance is something students should know about, particularly the subsidies connected with it, Mr. McGill pointed out.

The final 10 hours would be on legal aspects, one on fundamental legal concepts, four on legal interpretations of the contracts, two on the designation and legal status of the beneficiary, and one each on assignments, protection against creditors, and duties and responsibilities of agents.

Mr. Trosper said he tries to develop an attitude or understanding on the part of a student rather than a skill as a producer or a consumer. While certain facts must be picked up by the student in any basic course, stress should be placed on educating the student, not training him.

"The reason for the fact is more important than the fact," said Mr. Trosper. "Similarly the relationships of facts are more important than the facts themselves."

Mr. Trosper stresses in his courses the relationships within the life insurance field as well as the relationships between life insurance and law, finance, marketing, management, and other allied fields of knowledge.

Mr. Trosper favors the concept of life insurance as an economic device designed to fill specific economic needs in a free enterprise society. He said that his philosophy is what might be called an inquiry approach, which

means that the teacher must constantly assume the same inquiring attitude which he is trying to develop in the student.

Currently popular approaches for teaching life insurance are the mathematical, the consumer approach, the salesman's approach, and the company approach, but Mr. Trosper feels that the inquiry is superior to the others, first because any of the other approaches gives a distorted concept of life insurance while the inquiry approach gives a broad view. Second, the inquiry approach trains the student to look for problems which are yet to be solved rather than to be satisfied with learning what has already been accomplished. Also, Mr. Trosper has found that the inquiry approach sparks greater interest and enthusiasm on the part of the student and keeps

the teacher's enthusiasm high.

Discussing texts for the basic course, Mr. Trosper said that after trying about all of them, he has returned to his first love, the book by Joseph B. Maclean. He said this text covers all the appropriate topics and contains more of the unsolved problems of the industry than any other.

As for length of course, Mr. Trosper believes that the ideal is between 45 and 55 class hours. This would mean that the class should meet five times a week under the quarter system or three times a week under the semester system. Mr. Trosper prefers three classes per week because it is his experience that daily classes don't make for good retention on the part of the student.

Mr. Hedges' paper was read in his absence by John Long, also of Indiana University. Despite the diverse objectives of students enrolling in a basic life insurance course, Mr. Hedges said the students' needs are not mutually inconsistent. For example, the student interested in becoming an agent will

benefit from a thorough knowledge of the economic implications of life insurance, as will the personal user and certainly the business user of life insurance.

At the same time, the economics student will be a user of life insurance and will benefit from a knowledge of that phase of the subject. The sales techniques are not emphasized in the Indiana basic course. To the extent that the problem is dealt with, it is reserved for a course restricted to those with definite professional objectives in life insurance selling.

Mr. Hedges prefers to begin the discussion of life insurance with the mortality table and the fundamental loss-cost-share formula based on figures derived from the mortality table. From this point he proceeds to the net single premiums for terms running up to whole life and then develops the level premium method of purchasing life insurance, using the analogy of installment purchasing. Thus, the two main variables—period of coverage

(CONTINUED ON PAGE 14)

## TRIPLE INDEMNITY

Catastrophe  
Medical Coverage  
Hospitalization ...  
Individual & Family  
Aviation & Travel  
Accident ...  
World-Wide Unusual  
and Extraordinary  
Special Risks

A & H Income  
Protection ...  
Even for Life  
America's Only  
Department Store of  
A&H Insurance



● Double Indemnity serves a valuable purpose, but too often it is too limited.

● Consider this: Accidental death is the No. 1 killer of men up to age 37 ... the No. 2 killer to age 44 ... at any age a flouter of medical science, a flaunter of mortality tables.

Our "Maximum Accident Indemnity" policy will provide enough coverage for this sudden, unpredictable hazard ... for any client, regardless of the amount of life insurance he can qualify for ... or pay for.

Our many friends in the life insurance industry regularly use this exclusive facility to write double, triple or quadruple indemnity as an integral part of a well-planned life insurance program. It's also a prime attraction for new clientele.

● You should know more about this clean, liberal contract—one of this company's many unusual special facilities. Write today for full details about "Maximum Accident Indemnities," a surprisingly low-cost coverage in any amount from \$10,000

### to \$200,000

**CONTINENTAL CASUALTY COMPANY**

310 So. Michigan Ave., Chicago 4

Associates: Continental Assurance Company  
Transportation Insurance Company  
United States Life Insurance Company

## Conn. Mutual Goes Over 1952 Record

Connecticut Mutual's production last year was \$327,943,466, 20% above 1952, the previous record year. Insurance in force went up \$207,559,566 to reach \$2,655,263,707. Assets passed the billion-dollar mark last year. Top agency in 1953 production was Halsey D. Josephson, New York City with close to \$17 million.

## Benefits to Go to Survivors of GIs Missing in Korea

WASHINGTON—Veterans administration is writing survivors of more than 3,500 servicemen who have been carried by the armed forces as "missing in action" in Korea and have now been declared to be presumed dead as of Dec. 31, 1953. The addressed persons are being advised of benefits which may be available to them under law, including insurance and servicemen's indemnity, and appropriate notices and forms related to applications for such benefits are being sent.

Because of the long time some of servicemen have been carried as

"missing" and the fact that interest is paid on unused insurance balances, VA pointed out that it is important for insurance beneficiaries who have a right to elect optional methods of payment to consider carefully so as to choose the option that pays the most.

## Jefferson National Raises Three at Home Office

Jefferson National life has made three home office promotions. E. Kirk McKinney, Jr., has been advanced from assistant treasurer to treasurer succeeding Carl A. Ploch who has retired. Burl W. Miller becomes assistant secretary, and C. Virgil Buckler, formerly associate actuary, now is actuary.

## To Survey A&H Prospects

Governor Crosby of Nebraska has disclosed that a survey will be made to determine whether state employees are interested in participating in a group A&H insurance plan. In event that the plan is approved, the state legislature already has granted authority for deducting the individual's contribution from his pay check in the same way as social security and income tax are taken out.

## '53 Sales in Canada Total \$2.5 Billion to Set a Record

New life insurance sales in Canada in 1953 reached a record amount of about \$2.5 billion, according to George L. Holmes, vice-president of Manufacturers Life and president of Canadian Life Insurance Officers Assn.

The Canadian life insurance in force total increased to \$20.5 billion, more than double the amount at close of World War II. On a per capita basis, the amount in force works out to about \$1,370 for every man, woman and child in Canada. The figure is an increase of about \$350 over the corresponding figure for 1948.

Death claims and other benefits amounted to approximately \$265 million, about \$10 million above the 1952 total.

Housing again was a major investment avenue for companies in 1953, amounting to some \$350 million, an increase of 18%. This brings the total mortgage portfolios of the companies to nearly 25% of their assets in Canada.

## Texas Insurer Group Has Plan to Police Sales on Military Installations

Insurance Standards Convention, an organization at Fort Worth comprised of companies that write military life insurance, has engaged Charles D. Dunne, president of the Insurance Index, to direct a "self-imposed effort to weed out the evils that now hamper the writing of life insurance on service men at military installations."

According to ISC, its establishment a few months ago resulted from "mounting unrest between the commanders of military posts and companies writing life insurance on military personnel." Its avowed purpose is to adopt a code of ethics that would cover all members doing business with the military, and police their activities.

Since World War II, ICS states that friction between military commanders and agents writing military business has steadily increased. ICS attributes this to such practices as the use of hidden war clauses, duping military personnel into buying annuities rather than life policies, increasing stringency of military regulations concerning agents' activity and resultant infringement of such regulations by agents through unauthorized solicitation.

ICS says it feels that both parties have been in the wrong and that it is time to clear the air before it results into an open conflict between military insurers and the defense department. No reference is made by ISC to a directive issued by the defense department some months ago in an attempt to regulate the sale of insurance on military posts.

Mr. Dunne, who recently resigned as a civilian aid to the secretary of the army, will have broad supervisory powers over agents of member companies and will be empowered to impose penalties where there are breaches of a code of ethics that is being drawn up.

## Arrange Panel for Cal. Congress

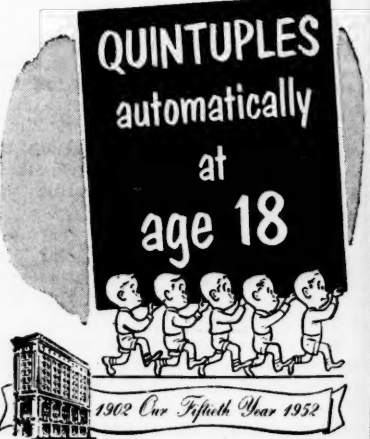
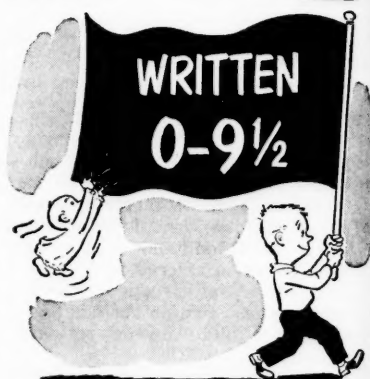
Members of the panel on presentation of a sale, to be one of four panels at the 1954 Northern California sales congress in San Francisco Jan. 21, are Robert L. Levin, Equitable Society, and Jules L. Routbort, Penn Mutual,

San Francisco; John Reginato, West Coast Life, Oakland, and Thomas A. Callahan, Equitable Life of Iowa, Palo Alto, Cal.

Featured speaker will be Robert C. Gilmore, president of National Assn. of Life Underwriters.

## Pittsburgh Sponsors Talks

A series of talks has been scheduled by Pittsburgh Life Underwriters Assn. Jan. 7 through Jan. 15. Walter R. Conti of Prudential at Ambridge, Pa., will talk on "Finding Time" at Butler Jan. 7; Charles R. Soleau, supervisor



**The COLUMBIAN NATIONAL LIFE Insurance Company**  
BOSTON 12, MASSACHUSETTS

## THE 65 DOLLAR QUESTION—ANSWERED!

IT USUALLY COMES UP in a Social Security sale—how to provide money every month, not until he would have been 65, but until she will be 65.

If he has the money and you have the time to work out complicated settlement options, solving the 65 dollar question is easy. But what if the prospect can't afford big premiums and you can't afford to program for peanuts?

That's when Occidental's Family Income and Income Protection policies shine. These policies pay monthly income—10 to 50 years—graduated if need be—to the selected age of the beneficiary. No complicated calculations. No six-page settlement options. Inexpensive. Easy.

And their commuted values are convertible to anniversary nearest age 65.

"A Star in the West..." ☆



HOME OFFICES—Los Angeles  
W. B. STANNARD, Vice President

"WE PAY AGENTS LIFETIME RENEWALS... THEY LAST AS LONG AS YOU DO!"

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of Mutual Benefit at Pittsburgh, will talk on "Touchdowns," at Charleroi Jan. 13; George G. Robinson, staff manager of Prudential, Pittsburgh, "All It Is—Inspiration, Information, Determination" at Uniontown Jan. 14; Paul A. Bishop of Knights Life, Pittsburgh, "Grow with Enthusiasm" at New Castle Jan. 14; and Wister L. Lynch, district agent of Lincoln National, on "Seven Sins of a Salesman," at Beaver Falls Jan. 15.

## Name Chairmen for ALC-LIA Joint Committees

American Life Convention and Life Insurance Assn. have named the chairmen of their joint committee organization for 1954. They are:

Allocation and reporting, M. E. Davis, Metropolitan; blanks, N. M. Hughes, National Life & Accident; economic policy, C. M. Shanks, Prudential; federal income taxation of life companies, Claris Adams, Ohio State Life; group, E. B. Whittaker, Prudential; International Labor Organization activities, C. O. Fischer, Massachusetts Mutual; legislative committee, Dwight Brooke, Bankers Life of Iowa; pensions, R. M. Peterson, Equitable Society.

Also, practice of law, John Barker, Jr., New England Mutual; premium taxation, R. A. Armstrong, Massachusetts Mutual; section 213 (a) Mr. Davis; revision of section 213, W. J. Cameron, Home Life of New York; study committee on section 213, Valentine Howell, Prudential; social security committee, Asa Call, Pacific Mutual; valuation of assets, S. C. Badger, New England Mutual; withholding and information at source, W. D. Freyburger, New York Life.

## Would Restrict Selling by Government Workers

Sen. Desmond will introduce in the New York legislature a bill to bar legislators or legislative employees from selling insurance to or serving as counsel, official or employee of any race track, liquor concern or road contractor. Gov. Dewey referred to this situation in his annual message when he recommended a special committee to define by legislation the business and professional activities improper for government and party officers and promulgate a code of ethics in this field.

## H. H. Perry Made Ass't V-P

H. H. Hartzell Perry has been appointed assistant vice-president in the reinsurance department of American United Life. Mr. Perry has been with the company 15 years, specializing in underwriting and reinsurance services. He is a navy veteran. American United is a pioneer in life reinsurance and in 1954 will celebrate its 50th anniversary in this field.



H. H. Hartzell Perry

• Fraternal Underwriters Assn. of Chicago at a luncheon meeting Jan. 13 will hear a talk by Carl J. Renekamp, general agent for Aid Assn. for Lutherans at Aurora, Ill., on "Some Sales Ideas that have Worked for me."

## Agent in Town of 1,300 Tells How He Qualifies for MDRT by Sticking to Seven-Step Procedure

NEW YORK—A town of 1,300 population doesn't sound exactly like the mileu for attaining membership in the Million Dollar Round Table but O. Alfred Granum did it—although it takes him 50,000 miles of traveling a year.

Speaking at the big eastern regional convention of Northwestern Mutual Life, Mr. Granum told how he accomplished this feat, though he has been in the business only since graduation from University of Wisconsin in 1946.

An essential element in his success is a seven-step routine from which he does not depart. Here are the steps:

1. Mr. Granum obtains names of men about 30 years old who have wives and children and who are making \$6,000 a year or more and have about the same background as he has.

2. He writes these men letters telling them he plans to telephone them to ask their permission to present the Northwestern Mutual planned income program.

3. Mr. Granum makes the phone call and if the prospect doesn't agree to the

interview, he writes him off as a prospect.

4. If the prospect agrees to the interview, Mr. Granum calls on him at the appointed time. But if the prospect won't sit down with him in private to discuss the planned income program he refuses to proceed with the interview. He feels that there are so many men in the category that he is seeking to sell that it is a waste of time to conduct an interview with an unwilling prospect.

5. If the prospect agrees to sit down in private for the interview, Mr. Granum proceeds with a fact-finding interview.

6. On the basis of the facts he has obtained, Mr. Granum completes at his office a life insurance estate plan, using as a basis standardized sheets. These lead off with an explanation of the major objectives of the plan. Then follow a page of general suggestions, a page of specific recommendations about existing life insurance, a graph showing the prospect's objectives for

himself and his family, another graph showing, by colored areas, where his present insurance and other resources fall short of meeting his objectives, a page of proposed insurance, including costs, dividends, cash values, etc., and a final page comparing bonds with annuities as a way of building financial security.

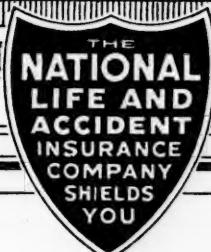
7. Closing interview.

## To Hear Editors at New York

Four New York City financial editors will again be presented by the Life Underwriters Assn. at the association's second annual "Financial Forecast for '54" Jan. 14, at 2:30 p.m. at the Hotel Astor. Moderator will be Clifford B. Reeves, public relations vice-president of Mutual Life. The panel will include Ralph Hendershot, New York World-Telegram & Sun; Sylvia F. Porter, New York Post; Donald L. Rogers, New York Herald Tribune, and George Shea, Wall Street Journal.

Members may bring non-insurance guests.

• United Fidelity Life of Dallas has purchased Radio Station KIXL and KIXL-FM in that city.



### EVERY MEMBER of the FAMILY

The bulk of the protection should be on the life of the  
income-producer of the family, of course.

But the uncertainty of the future applies to every mem-  
ber of the family, and the death of any one of them brings  
an economic shock greater today than ever before.

We have always offered Life Insurance on every member  
of the family, including the baby.

## The NATIONAL LIFE and ACCIDENT *Insurance Company*

INCORPORATED

Home Office: NASHVILLE, TENNESSEE

## Mass. Mutual Advances Six at Home Office

Massachusetts Mutual has advanced Norman C. Ford and Harold F. Philbrick to associate actuaries, ordinary, and has promoted Burpee W. Shaw to assistant actuarial administrator, Robert L. Anderson to cashier, Philip C. Heady to tax counsel and Allyn L. Baker to director of field claims.

Mr. Ford, with the company since 1927, has been assistant actuary since 1946. He is an associate of the Society of Actuaries. Mr. Philbrick joined the company in 1945 and became assistant actuary in 1951. He is a fellow of the Society of Actuaries. Mr. Shaw

joined the actuarial department in 1926 and has been actuarial assistant since 1948.



H. F. Philbrick



Norman C. Ford

Mr. Anderson, with the company

since 1930, has been assistant cashier since 1946. He is an LOMA associate. Mr. Heady, who joined the company in 1930, was appointed an attorney in 1949. Mr. Baker, with the company since 1931, became inspector of claims in 1946. He is an LOMA associate and vice-president of the Boston Life & Accident Claim Assn.

## Inducement Is Proved, Wife Is Renamed Beneficiary

Proceeds of a \$50,000 life insurance policy, issued by Northwestern Mutual, were awarded to a New York state widow after U.S. district court ruled that the insured, while alive, had induced his wife, through fraudulent means, to sign away her rights as irrevocable beneficiary.

Testimony revealed that the deceased, William E. Hedger, had persuaded his wife to advance sums of money to him which, it was understood, would be repaid by means of the insurance policy. Proceeding on this precedent, Mrs. Hedger signed an instrument which her husband declared merely would permit further loans on the policy.

This paper, in effect, designated defendant in the action, Ethel H. Reynolds, as beneficiary and acted to revoke the rights of Mrs. Hedger. The actual purpose of the document never was revealed to his wife by Hedger.

Judge Clancy ruled that a fiduciary relationship exists between a husband and wife in fact as well as in law, and that "when a husband, who . . . is familiar with insurance practices, obtains an advantage by a transaction with her, the burden is on him . . . to justify it." This justification was not shown and proceeds of the policy were awarded to the widow.

## Berkshire A&H Staff Shifts

Alfred F. Patton has been named supervisor of the A&H benefit division of the Berkshire Life A&H department. William S. Shuttleworth has been appointed assistant to Robert S. Schoonmaker, Jr., secretary of the A&H department.

For several years Mr. Patton has handled all A&H claim work for Fireman's Fund Indemnity in the New York area. He also supervised all A&H claim activity for that company in the eastern states. He is a navy veteran.

Mr. Shuttleworth joined the company last year.

## Hancock Promotes A. E. Prouty

John Hancock Mutual has appointed Albert E. Prouty comptroller of district agencies.

Mr. Prouty joined the company at Worcester, Mass., in 1929. He went to the home office as regional office supervisor in 1943, advancing to assistant comptroller of district agencies in 1948.

## Ensley to Pa. Field Post

Carl L. Ensley, training consultant of Prudential at the home office, has been named manager of the South Hills district at Pittsburgh, succeeding George M. Gump, who has assumed charge of the Horsehoe Curve district in Altoona, Pa.

Mr. Ensley was at Greensburg, Pa., until 1948 when he advanced to staff manager there. He joined the field training organization in 1952. He has been vice-president of the Westmoreland County Life Underwriters Assn.

## Lybarger Memphis Manager

F. M. Lybarger, former associate division superintendent, has been promoted to Memphis manager by Liberty National, succeeding D. L. Smith, who is being transferred to Jasper, Ala., as manager. Mr. Smith is vice-president of Memphis Life Underwriters Assn.

## Hartford Officers May Get Hearing in TV Controversy

FCC Commissioner Doerfer has held informally that the motion of Percy Russell, Travelers counsel, that depositions not be taken of 30 Travelers officers and directors on the question of alleged economic domination of the Hartford area by the company, should not be granted.

Philip J. Hennessey, Jr., attorney for Hartford Telecasting, had requested the depositions. Mr. Doerfer heard arguments Dec. 31 on Mr. Russell's motion and decided his motion should be granted. But Mr. Hennessey asked for time and was given until Jan. 5.

## Mass. Mutual Ups Tussey

Massachusetts Mutual has appointed C. Ed Tussey general agent at St. Louis. He will continue his association with General Agent Leonard R. Woods, who will remain in direct charge of the agency.

Mr. Tussey entered life insurance in 1942 and has been associate general agent for Massachusetts Mutual at St. Louis since 1950. He is a director of the St. Louis Life Underwriters Assn. and treasurer of the St. Louis Life Insurance and Trust Council. He is a CLU.



C. Ed Tussey

## Start Ind. Caravan Planning

The first speaker to be announced for the Caravan Sales Congress of Indiana Assn. of Life Underwriters is R. L. McMillon, Business Men's Assurance, Abilene, Tex. The caravan will appear before more than 1,000 agents, and will make stops April 1-3 at Evansville, Indianapolis and Elkhart.

• J. M. Bowles has been appointed district manager at Houston for Houston-American Life. He has been in the business 15 years.

## THE UNITY LIFE & ACCIDENT INSURANCE ASSOCIATION

Insures

The Whole Family

Unity agents are equipped to serve every need for personal insurance. Juvenile policies our specialty.

E. R. DEMING  
President

L. J. BAYLEY  
Secretary

HOME OFFICE — SYRACUSE, N. Y.

## A Service Guide A

## Valuable Paper Wallets

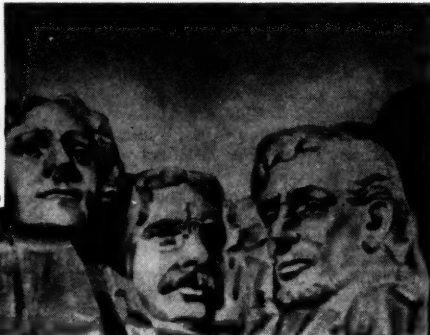
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Dallas, Texas

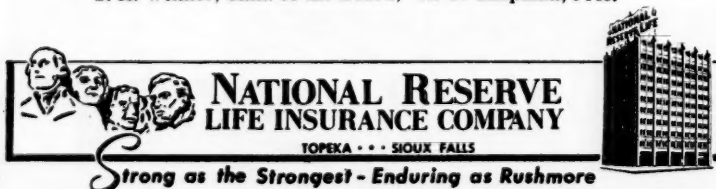


**"People must feel before they see . . . when this happens they are aroused to action"**

WASHINGTON'S significant words strike home to the man who feels and as a consequence sees . . . now is the time to act, in order to provide himself a profitable future. We have opportunities in the rich region west of the Mississippi for the type of man geared to general agent capacity. Information about yourself will be held in strictest confidence.

National Reserve's present one hundred and fifty-five million dollar organization is moving ahead in a tremendous expansion development. Send now for detailed information without obligation.

Write W. E. Moore, Agcy. V.P., Agcy Hq., Topeka  
S. H. Witmer, Chm. of the Board, H. O. Chapman, Pres.



Strong as the Strongest - Enduring as Rushmore

## PROTECTED HOME CIRCLE SHARON, PA.

FOUNDED IN 1886

A Legal Reserve Fraternal Insurance Society

JOSEPH SPENCER, President

L. D. LININGER, Secretary

SHARON, PA.

## Imperial Economic

Canada's expanding economy is capable of doing with ease the executive work of the As.

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## Imperial Life Official Says Canada's Expanding Economy Offers Attractive Investment Channels

Canada, with its buoyant and expanding economy, soundly based, and capable of enormous expansion, is filled with opportunities for life insurance investments, John W. Graham, executive assistant of Imperial Life of Toronto, said at the winter meeting of the Assn. of Life Insurance Counsel.

Mr. Graham outlined many of the better investment possibilities and the laws which govern investing and provided a number of tables and charts explaining and detailing economic conditions in Canada.

Generally speaking, life companies can invest up to 3% of their total ledger assets in any form of security or investment they choose. Also permitted are investments in bonds of various governments, corporations and schools; debentures; preferred and common stock; life or endowment policies issued by companies licensed in Canada; mortgages; stocks without nominal or par value and real estate for income.

Companies wishing to invest in Canadian enterprises must not only follow Canadian law but also the law of the home state or country. British and American companies must vest in trust in Canada assets equal to 100% of their liabilities to Canadian policyholders to be allowed to take part in Canadian investments.

In reference to taxes, Mr. Graham said an American company is free of non-resident provisions of the Canadian income tax as to that portion of its income which is attributable to its Canadian liabilities, plus 10%. For the rest of its Canadian portfolio, the company is liable for Canadian income tax of which part, at least, may be offset against domestic American taxes. There is no withholding tax charged on dominion government bonds and the rate is 5% on provincial bonds. On other Canadian investments, the tax rate is 15%.

The investment picture as a whole looks best in the construction of houses, retail and wholesale outlets, office buildings and institutions. Canada has an unfilled demand at the present time for an estimated 500,000 houses.

The Canadian law also permits life companies to make real estate investments for the production of income if the real estate is leased to or guaranteed by a corporation that has met the dividend requirements of the law necessary to qualify a debenture issue. The revenue of the lease must be sufficient to give a reasonable yield and to repay at least 85% of the amount invested within the term of the lease but not exceeding 30 years. A total of 5% of a company's assets may be invested in this type of real estate.

Purchase and lease-back propositions are an attractive investment for life insurance companies. There is a relatively high yield, now about 6%, and a high degree of safety of principal. The rent is a net return to the company free of expense, as the lessee guarantees to pay taxes and maintain property.

In retailing, the greatest opportunities for institutional investment are the motor vehicle industry and grocery and combination stores. A program for decentralization of retailing has been started and seems pointed toward success. Through this program, profitable new opportunities for

institutional investment and participation through mortgages, leasebacks, funded debt and equities have developed.

Utilities are another large field for capital investments. A good secondary market exists for convertible debentures of the Canadian National Railway, or in fixed income bearing securities. The direct railway issues, other than equipment, are fully guaranteed by the government. The two major telephone companies, Bell Telephone of Canada and the British Columbia Telephone Co., both have recently issued first mortgage bonds which yield about 4½%.

Next to utilities, manufacturing has received the greatest share of capital investment in recent years, with more than \$1 billion going into new manufacturing plants and equipment in 1952. The big manufacturing industries are pulp and paper, lumbering and agricultural processing, chemical products, iron and steel production, electrical and other machinery and consumer durables.

In the paper and pulp field, capital structures vary considerably, all the way from Powell River, financed entirely with common stock, to St. Lawrence Corp., which, in amalgamating its three former operating subsidiaries in 1952, issued some \$30 million in new first mortgage bonds.

The future of the lumber industry itself is beset with many problems, including those of labor costs, world currency restrictions and falling Scandinavian prices, but the outlook for pulp and paper is brighter.

In mining, although the long-term trend will undoubtedly be one of continued growth, for Canada is rich in natural resources, immediate expansion is hindered by labor disputes. Petroleum and natural gas are also potential investment markets. The new Trans Mountain Oil pipeline was built with the aid of \$65 million from bonds.

In the field of refineries and the marketing of petroleum products, Imperial Oil, McColl-Frontenac Oil and British American Oil are the major fully integrated oil companies in Canada. Together, these companies have \$125 million in funded debt outstanding, presenting large scale investment

opportunities for institutions.

As a general rule, an excellent over-the-counter market exists in Canadian government guarantees. The Bank of Canada will not admit to maintaining a market but it does act in a manner calculated to level out sudden rises or falls in government securities. An investment in Canadian victory loans is not without the risk of depreciation, and with the possibility of some long-term refunding by the government on whether or not they are cheap at the present price, Mr. Graham said.

In dealing with the provinces, most of them have debts which can be an investment for an insurance company. Representative bond issues of British Columbia sell to yield about 4%. A recent issue of Manitoba debentures sold to yield 4.25%; Ontario's credit rating is one of the best in Canada, with yields of about 4% obtainable in its direct medium-term debt.

One of the traditional channels for investment funds in Canada is the municipal field. Most new municipal issues are sold by tender; and debentures are generally of the serial type with the term depending upon the purpose of the loan.

## LIFE WITH PROVIDENT

### Average Size Policies \$24,470!

The two leading Provident life policies in volume of sales during 1953 have an average size *per sale* of \$24,470!

This combination of average size, number of sales, and large volume clearly indicates the real *sales appeal* of these two plans. And *top commissions* are paid on both! Larger commissions per sale means more income to Provident Life Producers.



**PROVIDENT LIFE & ACCIDENT INSURANCE COMPANY**

*Chattanooga - Since 1887*

LIFE ACCIDENT SICKNESS HOSPITAL SURGICAL MEDICAL

## N. Y. CLU Estate Forum Scheduled for Jan. 21

NEW YORK—The New York City CLU chapter will present its annual estate planner's day from 10 a.m. to 4 p.m. Jan. 21 at Hotel Astor. It will be on "The Business Interest in Estate Planning." A panel of experts will give their views on the advantageous disposition of the estate owner's business interest, with particular emphasis on the income, estates, and gift tax consequences and the use of life insurance.

Moderator will be Samuel L. Zeigen, Provident Mutual general agent in New York City. Panel members also hail from New York City: Abraham S. Guterman, partner in the law firm of Hess, Mela, Segall, Popkin & Guterman, lecturer and author on legal

topics, lecturer in the Practicing Law Institute and member of the faculty of the New York University institute on federal taxation; William McKinley, assistant vice-president of Bankers Trust Co. in charge of the new business division of the personal trust department, specialist in will review and estate analysis; and David Zack, a CPA and lawyer, chairman of the federal taxation committee of the New York State Society of CPA and lecturer on taxation in the City College business school. Besides agents and home office officials, lawyers, accountants, trust officers, and investment counsel are invited.

### R. P. Koenig on Mutual Board

NEW YORK—Robert P. Koenig, president of the Cerro de Pasco copper mining company, has been elected a director of Mutual Life.

## Conference Group, Hospital Agenda Is Set

Health & Accident Underwriters Conference has completed the agenda for its hospital-medical and group meetings at Chicago Feb. 8-10.

The hospital-medical forum, a one day affair, will be devoted to underwriting older age groups. For the group meeting, it is planned to cover four major points: The role of insurance companies in the national health picture, standard fee schedules and pre-paid medical plans, the role of hospitals in private and voluntary insurance, and the role of the medical profession in voluntary insurance.

Don R. Hodder, Woodmen Accident, will preside as chairman during the hospital-medical meeting in the morning, and Robert W. Carey, New York Life, program chairman, will be in charge in the afternoon.

For the group meeting, G. N. Watson, Crown Life of Canada, committee chairman, will be in charge. This meeting has its unofficial start the evening of Feb. 8 when there will be a reception at the Drake hotel. H. L. Rietz, Lincoln National Life, conference president, will deliver the opening remarks the next morning, and brief talks will be given also by John P. Hanna, conference managing director, and Mr. Watson.

The first morning there will be a panel discussion on small groups, and at the luncheon the speaker will be Robert W. Kneebone, vice-president of National Bank of Commerce of Houston. That afternoon a discussion will be carried on covering effective administration of group plans.

The next morning there will be a talk on labor-management trustee welfare plans, and a panel discussion following will take up voluntary insurance. That afternoon there will be a discussion of sales and service.

During the two days of the group meeting there will be breakfast sessions covering problems in the group field, and during the program these will be summarized by the group leaders.

### Brash Heads New Unit

Life & Casualty has set up a transfer department to coordinate weekly premium, ordinary, and monthly debit ordinary transfers. It is headed by Arnold A. Brash, who has been manager at Mobile. He joined the company as an agent at New Orleans and has served 12 years as manager at Baton Rouge, Tuscaloosa, and Mobile. He is a navy veteran and a past president of the Baton Rouge, Mobile, and Alabama state associations of life underwriters.

### Shages District Claim Chief

Connecticut General has promoted William V. Shages to Connecticut district claim manager with headquarters in the Hartford branch. He has been a senior claims examiner since 1948 and started with the company in 1924. He handled claims in Buffalo and Rochester for several years. He is a navy veteran.

### False Answers Don't Void NSLI

WASHINGTON—The U.S. circuit court of appeals sustained a district court ruling that the veterans administration must pay \$10,000 to Barney B. Thompson under policy on life of his son, William G. Thompson. The latter was discharged in 1946 because of a heart condition, and died in 1950, aged 29.

VA contested his father's claim on the ground that young Thompson had

given alleged false answers concerning his health when the policy lapsed and whether he had been ill between lapse date and time of application for reinstatement. The courts ordered payment even though incorrect answers may have been given in the application.

## Owen, Assistant Secretary of Kansas City Life, Retires

L. C. Owen has retired as assistant secretary of Kansas City Life. Mr. Owen, with the company 48 years, joined it when it was less than 10 years old, and its staff, including the president and secretary, comprised seven persons.

He was honored at the company's recent general agents meeting by President W. E. Bixby, who presented to Mr. Owen an insurance policy written by himself in 1906. His is the company's longest record of service.

## BROKERS-

and their

CLIENTS-

like

**GUARDIAN'S**



... LOW PREMIUM CONVERTIBLE TERM POLICIES

(5, 10, 15 and 20 years, or to age 70)

WITH



**GUARDIAN'S DISABILITY INCOME PROVISION**

(\$10 per month per \$1,000)

Our Disability Income Provision is also available on other GUARDIAN policies—including Preferred Risk.

Get full details from your nearest  
GUARDIAN office.



LIFE-ACCIDENT AND HEALTH

**The GUARDIAN Life Insurance Company OF AMERICA**

FIFTY UNION SQUARE NEW YORK 3, N. Y.

OVER A BILLION DOLLARS INSURANCE IN FORCE

## Mutual Savings Life Announces



### A Unique 'Package'

Surgical operation and dismemberment benefits may be added to most life contracts for an added premium of \$1.25 (male) per \$1,000 of insurance. With this benefit, a \$5,000 policy would provide up to \$250 per year for major surgical operations and up to \$1250 for special dismemberment losses.

Direct agency openings  
in Ohio, Ind., Iowa, Ky., Miss., Mo. and Ark.

Write to J. DeWitt Mills, Supl. of Agents

**Mutual Savings Life**

3701 Waterman

St. Louis 12, Mo.



## SALES POWER

Our new rate book contains a wide variety of juvenile and adult policies available to meet any personal, educational, business, estate clearance or retirement need from age 0 to 75. We are particularly proud of our new, forward-looking juvenile features: exclusive new policies developed from 35 years of experience in juvenile insurance—full benefit even if issued at age 0; dismemberment and fracture and double indemnity for accidental death from birth, representing major advances in this lucrative field.

Some open territories in Illinois, Iowa, Michigan and Wisconsin.

Direct inquiries, in confidence, to  
Sales Department

**FIDELITY LIFE ASSOCIATION**

A Mutual Legal Reserve Company

Home Office—Fulton, Illinois

Distinguished Life Insurance Service Since 1896



## Leuzinger Retires at Columbus, Lewis Named

Rudolph G. Leuzinger, general agent for Ohio State Life at Columbus, has retired and is being succeeded by Wayne L. Lewis who has been with the agency.

Mr. Leuzinger was honored at a luncheon presided over by Claris Adams, president. Other members of the agency and the home office staff attended.

Before becoming Columbus general agent in 1940, Mr. Leuzinger had a similar position at Cincinnati with another company. Earlier he was president of First



From left, Wayne Lewis and R. G. Leuzinger, new and retiring Columbus general agents of Ohio State Life; Claris Adams, company president, and F. L. Barnes, vice-president and director of agencies.

National Bank at Forest Lake, Minn. During his Columbus tenure, Mr. Leuzinger's organization led all company agencies in 12 different years, the last 10 of them consecutively. The agency won the President's trophy in a recent campaign honoring Mr. Adams.

Starting in the business in 1943, Mr. Lewis joined Ohio State Life at Columbus in 1947. He led the company in personal production in the years 1951-53 and is a life member of the Million Dollar Round Table.

## Lafin Jones Promoted by Northwestern Mutual

Lafin C. Jones has been named director of insurance services and planning at the Northwestern Mutual Life home office. Mr. Jones has been with the company since 1929, serving the last year and a half as executive assistant.

Mr. Jones will develop and investigate ideas and information on the services of Northwestern Mutual to take the greatest possible advantage of its market opportunities in connection with policy contracts and underwriting practices. He has had experience in the educational activities of the agency department and has served as an assistant director of agencies. His life insurance plays enjoy a national reputation and they have been presented at company meetings and various insurance association conventions, including those of National Assn. of Life Underwriters and the Million Dollar Round Table.

## Hearings Resume Jan. 11

WASHINGTON—The House committee on interstate and foreign commerce, headed by Rep. Wolverton of New Jersey, will resume its hearings

on health insurance programs Monday, with witnesses representing Blue Cross and Blue Shield, and other non-profit plans, including medical care plans of the closed panel type. Insurance company representatives completed their testimony the first week in October and the non-profit people were slated for the following week but the hearings were adjourned.

## Onderdonk Now President

Robert Onderdonk has been elected president of Estate Planning Corp. of New York and vice-president of Fiduciary Counsel of that city.

Before joining Estate Planning Corp. in 1952, Mr. Onderdonk was general agent for Lincoln National Life at Detroit. He was with Connecticut General Life from 1941 to 1948, serving at New York City and then Cleveland, and was with Travelers from 1938 to 1941.

## Sales Rally at S. F.

About 150 agents of Mutual Benefit H. & A. and United Benefit Life in the San Francisco territory attended a 1954 sales meeting this week at San Francisco. Paul McKee, assistant to the vice-president of United Benefit,

was the home office representative. Talks were given by C. D. Bovan, who with his father, D. M. Bovan, is northern California manager; Robert Malone, supervisor of San Francisco office; Larry Miller, manager of the life department; Frank Bland, Pacific Coast manager of the National Underwriter Co., and D. M. Bovan.

## Prudential Appoints Merritt at Washington

Prudential has appointed James W. Merritt, division manager at Philadelphia, as ordinary manager at Washington. The Washington manager, Nathan Bushnell, asked to be relieved of some of his administrative responsibilities pending his retirement next year. He will continue as associate manager.

Mr. Merritt joined Prudential following army service in the second war.

## More Data, More Policies in Atlantic's Rate Book

Atlantic Life has brought out a new rate book, in which cash values and other nonforfeiture values are now shown for each year through 20 years as well as for the three retirement ages of 55, 60, and 65.

Rates have been reduced at almost all ages and on almost all plans, with the greatest reductions at the higher ages. Substandard premiums have also been reduced substantially, with the greatest reductions evident at the younger ages and higher ratings. Premium waiver disability rates on women have been reduced about one-third and are now the same as for men.

New contracts include the 20-pay retirement income endowment at 65 and endowments at ages 19, 20, and 21. Single premium endowments maturing at ages 17 through 21, 60 and 65, are also now being offered, as are single premium 10, 15, and 20 year endowments. A single premium elective annuity has been added.

Also new is the 20-payment life return premium policy. It provides protection for the face amount for life; in addition, if the insured's death occurs before the 20th anniversary, it also returns the standard annual premiums for the years the policy has been in force, including the full contract year in which death occurs.

Interest on premiums discounted and paid in advance will be 2½% instead of 2% as in the past. Atlantic will allow 1½% on such funds which are later withdrawn, provided they have been on deposit for at least one year. This interest allowance of 1½% is retroactive to all withdrawals made after Jan. 1, 1954, regardless of the deposit date.

## Supervisors to Hear Pille

NEW YORK—The New York City Life Supervisors Assn. will have as its luncheon speaker Jan. 12 Richard E. Pille, vice-president of Mutual Benefit Life and president of LIAMA. The meeting is at Hotel Martinique.

## F. W. Winkler Retires

Frederick W. Winkler, president and general manager of Blue Grass Life of Covington, Ky., since its organization in 1949, has retired and will devote his time to civic and charitable projects. A successor will probably be elected at the annual meeting in February.

## Baehr Succeeds Healea

G. T. Healea, head of the mortgage loan department of Midland Mutual Life for 25 years, has retired. He is succeeded by P. E. Baehr who has been assistant manager of that department for several years.

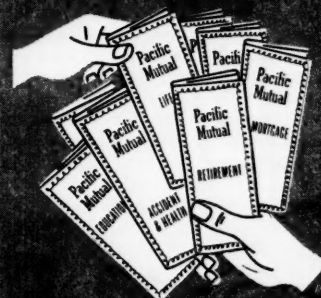
## Midwest, Neb., Names Platt

Midwest Life of Nebraska is in the process of entering California and has appointed Maurice J. Platt manager at San Jose.



## Broad Protections

CHESTER ASHFORD, McFarland, Calif. was Pacific Mutual's 1952 National Production Champion and is a Life Member of the Million Dollar Round Table. "When I came to Pacific Mutual six years ago," says Chester, "experience in welfare work had opened my eyes to a man's real needs. Pacific Mutual's broad protections—Life and Disability—give me all I need to meet those needs completely."



## Pacific Mutual

LIFE INSURANCE COMPANY

HOME OFFICE  
LOS ANGELES, CALIFORNIA



LIFE • ACCIDENT & HEALTH  
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## GLOBE LIFE INSURANCE COMPANY

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COVERAGES—Ages 0-60

For Particulars Write Home Office

159 North Dearborn St., Chicago 1, Illinois

WILLIAM J. ALEXANDER, PRESIDENT

## Bankers Life Makes Numerous Changes

Bankers Life of Iowa has made changes in dividends, coverages and rates as of Jan. 1. Dividends have been increased on virtually all groups of policies, and since this resulted from higher interest earnings, individual dividends will be greater on higher premium plans than low premium plans and greater on longer policy durations than during the earlier policy years. On endowment at age 65 and life paid-up at age 85, because of increased expenses per unit on these \$1,000 minimum plans, dividends will be slightly lower at the younger ages at issue and for the early policy years under the 1954 scale than under the present scale. According to the company announcement, however, even where this is true, the dividends for the later policy years will be increased. Also, on policies issued on these plans prior to Jan. 1, 1954, at the same premium rates there will be no reduction in dividends for 1954 as compared with 1953 because of this decrease in scale. Each such policy will receive in 1954 at least as large a dividend as was paid in 1953. There will also be an increase in dividends in 1954 on old policies. The increase will apply to all policies, including those issued on a 3½% reserve basis, except some which were issued on the income-to-insured plan at particularly favorable premium rates.

Premiums for waiver of premium disability benefits have been sharply reduced for policies issued after Jan. 1, 1954. On policies which include such benefits issued before Jan. 1, 1954, the dividends will be higher than on such policies without waiver of premium benefits. In addition to a reduction in male rates, this benefit will also be issued to the females at the same rate as males. Previously females have been charged twice the male rate.

Premiums for income-to-insured

policies have been reduced at all issue ages, and premiums for payor disability benefits have also been reduced to make them consistent with the new waiver disability rates. The range of issue ages has been expanded materially. Most plans are now issued down to date of birth and many plans are offered up to age 70. Double indemnity benefits have been extended from 15 down to and including age five. And sub-standard insurance in the first three classes is now offered down to age one and up to age 65. The death benefit under policies issued below age one has been liberalized to provide full benefits after exact age three-months, with a benefit of \$250 until age three-months.

Hereafter the distinction between adult and juvenile plans will be eliminated. There will be no so-called juvenile plans with the new extension of young ages. Except for those policies issued under age three-months, the same policy forms will be used as for the higher ages. In the past juvenile plans had been issued at ages 0 to 15 and adult plans issued at ages 10 and up. The so-called juvenile policy included a temporary power of control in a person other than the insured until the insured became age 21, but this could not be altered to provide for permanent control and ownership in that other person. On the other hand the "adult" policies could provide for permanent ownership in someone other than the insured but could not include the temporary arrangement.

The new setup now makes a more flexible ownership arrangement by allowing: A temporary ownership to the insured's age 21 on any policy issued at ages 0 to 14 inclusive, which arrangement is equivalent to the old power of control on juvenile policies; a permanent ownership arrangement which will not terminate at any particular age of the insured, which will be available on all plans at all ages. Both of these arrangements will be included in the contract by rider.

Payor benefits will now be available with any plan from ages 0-14, inclusive, providing only that someone other than the insured is named as owner. It will make no difference whether the owner is named on a temporary or permanent basis.

## Dr. Reiter, J. R. Trimble of Mutual Benefit Retire

NEWARK—Dr. Walter A. Reiter, vice-president, and James R. Trimble, mathematician, retired from Mutual Benefit Life at the year-end. They and Vice-chairman John R. Thompson, whose retirement was reported in last week's edition, were guests at a reception at the home office.

Dr. Reiter joined the company in 1922, became medical director in 1928 and vice-president and medical director in 1946. Last year he gave up his duties as issue department head to become consultant on underwriting and assist in the general administration of company affairs. Mr. Trimble joined Mutual Benefit in 1921 and has been mathematician since 1946. He is a fellow of the Society of Actuaries.

## Union Central Life 1954 Dividend Scale 17% Higher

Union Central Life has increased dividends which will apply to most policies in 1954 by an average of about 17%. On no policy has the scale been reduced. Increases apply to nearly all policies issued since 1935 and to 3% reserve policies issued prior to 1935.

On some policies the increase will amount to more than 50%.

Interest on dividend accumulations and on policy proceeds left under settlement options has been increased from 2½ to 2¾%.

## Expressmen's Mutual Shift

J. J. Sullivan, executive assistant and treasurer of Expressmen's Mutual Life of New York, has been relieved of his treasurer's duties and will devote his full time to the office of executive assistant.

R. J. Force has been advanced from assistant treasurer to treasurer.

## Can Enroll for New School

Applications may be made at once for the new one-week school for supervisors and assistant managers of ordinary agencies that will be conducted by the LIAMA May 17-21 at Kellogg Center, Michigan State College, East Lansing. It is designed for the unit builder, established supervisor or assistant manager, as well as new appointees. Applications should be put through home offices.

## Piatt to Allentown for Pru

Robert R. Piatt, for three years Prudential district manager at Shamokin, Pa., has been named head of the Trexler Park district in Allentown. He succeeds Clayton F. J. Smeck, who will head the Reading branch of the Harrisburg ordinary agency. Mr. Piatt joined Prudential in 1937 at Bethlehem.

## Heads Health Education Unit

Howard W. Ennes, Jr., has been appointed to the staff of the medical department of Equitable Society to supervise the new program of public health, preventive medicine and health education. Mr. Ennes has been executive editor of *Public Health Reports*, official publication of the U. S. public health service. He is a navy veteran.

## Dobson to American Bankers

Tom Dobson has been appointed general agent at Gainesville, Fla., for American Bankers Life of Florida. He has been with Travelers there as manager since 1944.

## Arnold New Berkshire General Agent in R. I.



Harris W. Arnold

Berkshire Life has appointed Harris W. Arnold general agent at Providence, R. I. He has been district manager there since 1952. An army air force veteran, Mr. Arnold has been in life insurance for seven years.

## Kan. Assn. at Record 925

Membership in Kansas Life Underwriters Assn., at year's end, rose to 925. The association expects to reach 1,000 members in 1954.

## Chisholm Mobile Manager

Life & Casualty has promoted P. F. Chisholm to manager at Mobile. He has been with the company 13 years for the past year as state supervisor for Mississippi. He succeeds A. A. Brash who has been head of the new home office transfer department.

## MEN of VIRGINIA

### Dedication



C. H. McCormick

His father worked 20 years without success on a reaping machine, before young McCormick took up the task. The son's dedication to the goal resulted in the first successful reaper and revolutionized agriculture.

In the field of life insurance selling, dedication is a particular requirement for success.

The 2,000 members of our field force who each day are building the Life of Virginia well beyond 1½ billions of insurance in force demonstrate the type of dedication which assures the continued achievements of this 82-year-old company.

THE LIFE Insurance Company



OF VIRGINIA

RICHMOND • ESTABLISHED 1871

## NORTH AMERICAN REASSURANCE COMPANY

### LIFE

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ACCIDENT & HEALTH REINSURANCE EXCLUSIVELY

J. HOWARD ODEN, President  
161 EAST 42nd STREET  
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## Life Insurance Use OK Retirement Plans

(CONTINUED FROM PAGE 1)

ferences that the purchase of life insurance protection under the plan is secondary or incidental to the main objective—providing retirement benefits for employees under profit sharing arrangements. The request for a pooling and the typical plan presented by the life organizations were set forth in their memorandum to internal revenue officials as follows:

"Advice is requested whether a profit-sharing plan which contains the following typical provisions would qualify as a tax-exempt trust under section 65 (a), assuming that in all other respects the plan conforms to the tests and specifications of section 165 (a):

"1. Contributions—Each year the employer company will contribute to the plan (a given) percent of net profits, as determined by the company accountants.

"2. Allocation to account of participants—The amount of the profit-share shall be allocated to the account of each participant in accordance with an approvable formula, such as in the ratio that the total compensation of the participant bears to the total compensation of all participants in the plan.

"3. Investment in convertible ordinary life insurance policies—A portion of each annual allocation to the account of a participant (usually less than half of such allocation) shall be invested in an ordinary life insurance policy, issued by a legal reserve life insurance company, on the life of each employee-participant who is insurable, and is under 65 years of age. The insurance company issuing the ordinary life insurance policies to the trustee shall agree with the trustee that the insurer will convert the policies at a later date to insurance income contracts which will provide each employee with an annuity benefit for life following his retirement. The amount of this retirement income is not predetermined and depends on the allocation of profits to the participant's account. In the case of an uninsurable participant a portion of the annual allocation to his account is invested in an annual premium deferred annuity contract.

"The ordinary life insurance policies, purchased under the plan, are owned by the trustee (who can exercise all options, including surrender for cash). The beneficiary of the policy named to receive the death proceeds upon the death of the participating employee is designated by the employee. The participating employee is not vested with any rights in the policy other than the right to designate the beneficiary.

"The term portion (cost of insurance protection) of the premiums paid on the ordinary life policies is reported annually for income tax purposes as income to the employee-participant in accordance with P. S. 58, revised, dated March 7, 1947.

"4. Pooled investment account—That part of the profit-share allocated to the account of each participant (usually more than half of the allocation) which is not used to pay premiums for the ordinary life insurance contracts, shall be placed in a pooled investment account. Funds in the pooled account shall be used later to complete the conversion of the whole life policies to insurance income policies.

"After the trust has been in effect for two years, the accumulations in the investment pool permit the trustee to pay premiums on the ordinary life

insurance policy out of funds held in the trust for two or more years. It is unlikely that after two annual premiums have been paid on an ordinary life insurance policy the trustee would be forced to pay a premium out of current allocations, or out of funds held in the trust for less than two years.

"5. Normal retirement date—The normal retirement date for employee participants shall be the anniversary date of the insurance policy nearest the employee's 65th birthday, or 10 years after becoming a participant, whichever date is later.

"6. Conversion to income contracts—One year prior to the employee's normal retirement date, the trustee shall apply the funds as may be to the credit of the employee in the pooled investment account to convert the ordinary life insurance policy on the life of the employee to an insurance income contract in the maximum amount permitted under the agreement with the life insurance company, so as to provide the employee with the largest guaranteed monthly retirement income at his normal retirement age as is possible.

"7. Retirement distribution—Upon the employee's attaining normal retirement age, the trust shall make available to the retiring employee the retirement income as provided by the insurance income contract then in force on the employee's life. To the extent that any other funds remain in the trust, the trustee shall apply such funds to purchase a single premium annuity contract, or the trustee may pay the retiring employee such funds in equal monthly installments over a fixed period of time.

"8. Death benefits—Upon the death of an employee, who is a participant under the plan, the death proceeds of the ordinary life insurance policy are paid to the beneficiary of the policy designated by the participating employee. These proceeds are taxable as income to the extent and in the manner provided in P. S. 58.

".....The investment in life insurance income policies through the two-step method has certain advantages. Under the one-step method (purchase of insurance income contracts at the outset) the trustee must determine in advance the annual investment he

intends to make in such policies. And he must take into account fluctuations in allocated profits; otherwise, he might not be able to keep up the premiums. His assumptions must be conservative. Consequently, in many cases there will be substantial accumulations in the trust. The trustee does not have the contractual right to invest these accumulations in additional income contracts on a predetermined basis.

"The two-step method avoids these difficulties in a large measure. Under that method the trustee buys ordinary life policies, the premiums on which are usually less than half the initial allocation of profits. Unless the future allocations decline more than 50% of the initial allocation, the trustee will be able to keep up premium payments on the policies. The excess of allocated profits is accumulated in a separate pool. When the normal retirement date approaches, the accumulations in the pool can be converted to the maximum retirement income permitted under the trustee's agreement with the life insurance company....."

The essential portions of the letter containing the favorable opinion by the commissioner of internal revenue and establishing the new ruling are as follows:

"Section 29.165-1(a) (2) of regulations 118 defines the term 'profit-sharing plan' as follows: 'A profit-sharing plan...is a plan established and maintained by an employer to provide for the participation in his profits, by his employees or their beneficiaries, based on a definite predetermined formula for determining the profits to be shared and a definite predetermined formula for distributing the funds accumulated under the plan after a fixed number of years, the attainment of a stated age, or upon the prior occurrence of some event such as illness, disability, retirement, death or severance of employment.' (Italics supplied.)

"You contend that the purchase of ordinary life insurance contracts by the trustee of the profit-sharing trust is an essential part of 'the plan to accumulate benefits to be distributed in the future' that 'the life insurance coverage provided is only incidental' that 'the primary purpose of the trustee's

## Dunne Sues Constitution Life on New World Sale

LOUISVILLE—James E. Dunne, publisher of the Insurance Index, has brought suit in federal court at New Albany, Ind., against Constitution Life of Los Angeles, contending that Constitution employed him to negotiate for the purchase of controlling interest in the common stock holdings of New World Life of Seattle, and that Dunne negotiated a deal at a price below an offer authorized by Constitution, but that Constitution later refused to go through with the purchase. Farmers Exchange group of Los Angeles was the eventual purchaser of New World at \$34 a share.

investment' in such contracts 'is to assure a distribution of the allocated profits after a fixed number of years, on the basis of an advance commitment by the insurance company to pay a life income' and that investment in income insurance contracts is intended from the outset.

"Based upon a careful consideration of the information submitted by you and the provisions of the internal revenue code and regulations 118 applicable to profit-sharing plans and trusts, it is our opinion that the mere fact that the profit-sharing plan may provide life insurance protection incident to the plan's primary purpose of accumulating funds and deferring distribution thereof until normal retirement date will not cause the plan to fall of qualification under section 165 (a) of the internal revenue code.

"For the purpose of this opinion, life insurance may be considered 'incidental' only where (1) the aggregate premiums for life insurance in the case of each participant, is less than one-half of the aggregate of the contributions allocated to him at any particular time and (2) the plan shall require the trustee to convert the entire value of the life insurance contract at or before retirement to provide periodic income so that no portion of such value may be used to continue life insurance protection beyond retirement.

"The opinion expressed above is limited to the facts set forth in this ruling and does not apply to any other factual situation."

No. 2 in a series of  
father-son combinations  
in the  
Modern Woodmen  
Agency Force



### RAY A. MARTIN

Ray Martin, Oklahoma City, Oklahoma, has served capably as a District Manager since he joined the Modern Woodmen agency force in 1947. In his first year, he placed high among the fifty leading agents, and has gained a spot in the select "President's Club" (top 20 producers), placing fourth in 1948 and sixth in 1952. Ray's production, both in new business and Premium Income, will again put him in the President's Club for 1953.

## THE MARTINS OF OKLAHOMA AND ARKANSAS



### KERMIT L. MARTIN

Kermit Martin, Little Rock, Arkansas, Modern Woodmen State Manager for the Wonder State since early in 1952, has brought that state's production to a high level in a short time. Kermit, Ray's son, began his career with Modern Woodmen in 1948 as a Special Agent in California. In 1950 he was given a district managership in his home state of Oklahoma, and his successful record in that capacity for the next two years brought him the Arkansas State Manager appointment.

Increased earnings and the opportunity to "get ahead" are built into the future of the Modern Woodmen agent. If you want a career with a future—one that will give you an opportunity to use your talents to the fullest—there's a place for you at Modern Woodmen.



MODERN  
WOODMEN  
OF AMERICA

ROCK ISLAND, ILLINOIS  
Assets exceed \$178,000,000

## EDITORIAL COMMENT

### Indirection in Consumer Advertising

At the annual meeting of Life Insurance Advertisers Assn. there was criticism of life insurance advertising for its "indirection." One speaker remarked that it was hard to learn very much about life insurance from life insurance advertising. People like to learn something from advertising, he pointed out.

The speaker cited numerous cases to prove his point and doubtless there is accuracy in his statement about the prevalence of indirection. But may not the very fact that it is so general indicate that there are fairly strong reasons for it—reasons that have to be disposed of before throwing indirection to the winds?

One reason is obviously that death is such a distasteful subject to most people that the approach to anything connected with it has to be indirect or the reader will quickly put the whole matter out of mind by turning the page. So the answer is to avoid anything that might seem like backing up the hearse in print. The same indirect approach can be found among the consumer advertising for coffins, grave vaults, and tombstones. In fact you have to read pretty far down in the ad to discover what is being advertised.

It is understandable that life companies should not want to make their messages so blunt as to be distasteful and perhaps stir up more ill-will than good-will. Yet it is easy to let this fear of offending soften the impact of insurance advertising more than necessary. Mainly this is true because hardly any life insurance ad-

vertising is expected to show results in terms of additional sales traceable directly to the advertising.

Nobody can say for sure just where the line is between too much sock and not enough sock, so the borderline is fairly indefinite and because life insurance is a high-class business the tendency is to err—if it is erring—on the side of good taste. If life insurance sales depended on consumer advertising as heavily as say, Lucky Strike cigarettes do, the correct balance between brutal bludgeoning and genteel indirection would be quickly found, for it would be the price of survival.

One of the indications that life insurance advertising can safely move in the direction of greater directness was John Hancock's campaign in a number of test cities last year. It ran some "hard-hitting" newspaper copy designed to get readers thinking in a serious way about whether they had enough insurance and if possible to cause them to get in touch with a John Hancock agency. Results showed the ads to be a definite sales help and no source of any appreciable amount of adverse reaction.

The extent to which consumer advertising is helpful in selling depends on each company's objectives and the sales methods by which it aims to achieve them. But to the degree that consumer advertising is used at all, it will need to be sharper in 1954 than in 1953, for even the most optimistic of the economic forecasters predict that it will take harder selling to move the goods this year than last.

the Pennsylvania Turnpike near Lebanon, Pa. The car driven by Mr. Rivers skidded on an icy section of the road, crossed the dividing strip and crashed into an oncoming car. Mr. Rivers was taken to a hospital at Lebanon where his condition was reported as satisfactory.

**Victor R. Seymour**, assistant secretary of Midwest Life of Nebraska, has been elected president of the Iowa-Nebraska Unitarian Assn.

### Wolverton Asks Tax Deduction for Cost of A&H

WASHINGTON—Study and consideration should be given to the possibility of enacting legislation to permit deduction for income tax purposes of payments made to voluntary medical insurance plans or medical expenses incurred by the taxpayer, Chairman Wolverton said in announcing a schedule of Congressional hearings on health legislation beginning Jan. 11.

Study should also be given to legislation designed to provide federal reinsurance of prepaid health service plans of voluntary non-profit associations.

### IRS Tells When Employer's Plan Is Not Insurance

WASHINGTON—The Internal Revenue Service has ruled that a self-insured plan established by an employer in compliance with New York's state disability benefits law providing for payment of non-occupational disability benefits to employees under which benefits paid are closely correlated to regular wages, employees contribute only part of benefits cost, and there is no separate entity into which the employer pays specified sums in advance, and from which employees receive benefits, is not in itself an insurance plan within the purview of section 22 (b) (5) of the internal revenue code. Thus the amount received would not be excludable from compensation as would regular A&H benefits.

### Cummings Burlington G. A.

Penn Mutual has appointed M. Baxter Cummings, Jr., as general agent in Burlington, Vt. He succeeds Albert E. Jensen who is relinquishing managerial responsibility but will remain as consultant and continue to serve his personal clientele.

A navy veteran, Mr. Cummings is a CLU, secretary-treasurer of the Vermont Life Underwriters Assn., and is a former president of the Burlington association.

### Schrivver Very Much on Time

NALU's managing director was erroneously referred to as "the late Lester O. Schriver" in an item in last week's issue. Mr. Schriver is very much alive and on the job.

## DEATHS



Oscar W. Yates Sr.

**OSCAR W. YATES**, 59, secretary of the oldest employee of Shenandoah Life, died in a anoke hospital. Mr. Yates started with the company in 1919 as manager of the policy issue department. He was advanced to assistant secretary in 1938 and was elected secretary in 1941. He is a veteran of World War I.

**C. REX WELTON**, 69, Continental Assurance, Madison, Wis., died at local hospital after a brief illness. He entered life insurance in 1935 and was president of Madison Assn. of Life Underwriters in 1941, and also of Madison CLU chapter in 1947.

**MANUEL P. REIS**, retired head of the Lowell, Mass., district office of John Hancock, died in Lowell.

**JOHN T. SULLIVAN**, brother of Commissioner William A. Sullivan, Washington, died at his home at San Francisco. His father, John F. Sullivan, is vice-president of Frank Burns, Inc., Seattle reinsurance brokers.

### Blue Seal, Blue Shield Similarity Taken to Court

Blue Shield in Texas has gone to federal court at Austin to try to prevent National Bankers Life of Dallas from using the trade name "Blue Seal," and from consolidating the terminology with an emblem that is similar to the blue and white shield used by the Blue Shield. The Blue Shield is asking triple damages, and claims it has suffered \$25,000 worth of damage already.

### Mahoney N. Y. Senate President

Sen. Walter J. Mahoney of Buffalo, former senate insurance committee chairman, has been elected as temporary president of the New York senate. This places him next in line of succession to the governorship. He succeeds Sen. A. H. Wicks of Kingston, who resigned following pressure by Gov. Dewey based on Mr. Wick's visits to Joseph Fay, convicted labor extortioner, in Sing Sing prison. Senator Mahoney was the first chairman of the joint legislative committee of insurance rates and regulation, now headed by Sen. Condon of Yonkers.

● **Philadelphia Life** has elected Riddle Watts as a director. He is executive vice-president and a director of Spartan Mills, Inc., New York City.

● **James V. Whaley**, vice-president of Franklin Life, addressed the Springfield, Ill., Kiwanis club on probable business trends in 1954.

## PERSONAL SIDE OF THE BUSINESS

**Chas. E. Becker**, president, and **Franklin Life** were featured in the January issue of "Personal Efficiency," the official monthly organ of the LaSalle Extension University, America's famed correspondence school. A picture of Mr. Becker beside the bronze heroic statue of Benjamin Franklin in the Franklin Life courtyard appears on the front cover of the magazine, and a full length feature story on Franklin's growth under Mr. Becker's management follows.

The citizens budget commission of New York has selected Chairman **Devereux C. Josephs** of New York Life as the winner of its award for high civic service by an individual. Mr.

**Josephs** is chairman of the temporary state commission to study the organizational structure of the government of New York City.

**J. J. Andrews**, New York Life manager, and **N. P. Paulus**, State Mutual Life general agent, participated in a panel discussion on insurance that was broadcast over WLW-D TV at Dayton and sponsored by the sales executives club there. Mr. Andrews is president of the Dayton Sales Executives Club.

**Joseph Rivers**, Northwestern Mutual Life agent at Louisville, was injured and his wife, Mrs. Ethel R. Rivers, was killed in an auto accident on



M. B. Cummings, Jr.

### THE NATIONAL UNDERWRITER

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**BOSTON 11, MASS.**—207 Essex St., Rm. 421, Tel. Liberty 2-1402. Roy H. Lang, New England Manager.

**CHICAGO 4, ILL.**—175 W. Jackson Blvd., Tel. Wabash 2-2704. O. E. Schwartz, Chicago Mgr. A. J. Wheeler, Resident Manager.

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**CINCINNATI 2, OHIO**—420 E. Fourth Street, Tel. Parkway 2140. Chas. P. Woods, Sales Director; George C. Roeding, Associate Manager; George E. Wohlgemuth, News Editor; Arthur W. Riggs, Statistician.

**DALLAS 1, TEXAS**—708 Employers Insurance Bldg., Tel. Prospect 1127. Alfred E. Cadis, Southwestern Manager.

**DETROIT 26, MICH.**—607 Lafayette Bldg., Tel. Woodward 1-2344. A. J. Edwards, Resident Manager.

**ADVERTISING OFFICE:**  
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Advertising Manager: Raymond J. O'Brien.  
**SUBSCRIPTION OFFICE:**  
420 E. Fourth St., Cincinnati 2, Ohio.  
Circulation Manager: Daniel B. Reynolds.

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**MINNEAPOLIS 2, MINN.**—558 Northwestern Bank Bldg., Tel. Main 5417. Howard J. Meyer, Resident Manager.

**NEW YORK 38, N. Y.**—99 John Street, Room 1103, Tel. Beckman 2-3958. Ralph E. Richman, Vice-Pres.; J. T. Curtin, Resident Manager.

**HOWARD J. BURRIDGE**, President.  
**LOUIS H. MARTIN**, Vice-President.  
**JOSEPH H. HEAD**, Secretary.  
**JOHN Z. HERSCHDE**, Treasurer.  
420 E. Fourth St., Cincinnati 2, Ohio.

**OMAHA 2, NEBR.**—610 Keeline Bldg., Tel. Atlantic 3416. Clarence W. Hammel, Resident Manager.

**PHILADELPHIA 9, PA.**—123 S. Broad Street, Room 1127, Tel. Pennypacker 5-3706. E. Fredrikson, Resident Manager.

**PITTSBURGH 22, PA.**—508 Columbia Bldg., Tel. Court 1-2494. Bernard J. Gold, Resident Manager.

**SAN FRANCISCO 4, CAL.**—507 Flatiron Bldg., Tel. Exbrook 2-3054. F. W. Bland, Pacific Coast Manager.



## Bournebury Notes Benefit of Economic Changes

(CONTINUED FROM PAGE 2)

trustee currently pay no tax equivalent to the premium tax which must be paid by life insurance companies on such funds when they come to the companies in the form of premiums on retirement income contracts. If this inequity is eliminated, as it well might be, it can be safely predicted that there will be a substantial increase in the volume of pension trust business coming to the life insurance companies.

"It seems quite certain that the volume of disposable income in the hands of the American people in 1954 will remain high. This means that in '54 as in all other periods when people have money, those agents and those companies which make an aggressive effort to get new business will be successful."

## Y. Assn. to Tackle Sales of Mutual Fund Shares

NEW YORK—The matter of life agents selling mutual fund shares as a sideline is the main topic on the agenda for the meeting this week of the board of field underwriters of New York City Life Underwriters Assn. The mutual funds have been making themselves felt as competitors. Some have wooed successful life agents away to act as salesmen but others have interested life agents in selling the fund shares and also term life insurance, the sales pitch being that the shares take the place of the cash values in permanent life insurance.

## Has New Term Conversion Form

Ohio State Life has simplified conversion of term insurance by use of a new application form, which replaces four different forms previously used.

Ed O. Choice, who is with Great National Life at Dallas, has been named the company's man-of-the-year and president of its President's Club for 1954.

Robert A. Donnelly, Meridian, Miss., has been transferred by Metropolitan to the Cherokee district of Memphis as assistant manager. He is a veteran in line of the Korean and Second World wars.



**FRANK M. SEE** (center), general agent of New England Mutual for 22 years at St. Louis, has taken into partnership his two sons-in-law, **Richard T. Stith, Jr. (right)**, formerly agency supervisor, and **F. Russell Fette**, formerly brokerage supervisor. The firm will be known as **See, Fette & Stith**. Mr. Stith joined the agency in 1945 after marine corps service. He is president of the St. Louis CLU. Mr. Fette, a navy veteran, joined the agency in 1946. Mr. See entered life insurance in Nashville after serving in the first world war. He was general agent of Union Central at St. Louis from 1925 to 1932.

## Heads New Home Life Office

NEW YORK—Home Life has opened a new agency here with **William E. Carnwright** as manager. He entered life insurance in 1945 with Home at Newark. After three years as assistant manager he became a special agency assistant at the home office. Before joining Home Life Mr. Carnwright was a sales executive of the Life Saver Corp. The agency, Home's seventh in New York City, will be located temporarily in the home office building, 256 Broadway.



W. E. Carnwright

## Huber Agency Has \$9 Million Year

Solomon Huber agency of Mutual Benefit Life closed out its year with \$9,059,759 of paid business exclusive of term riders, annuity credits and miscellaneous forms. Biggest month was December, with \$1,054,750. David Adelman led the agency.

## Hits Dependents' Group for Injured Workers in Mass.

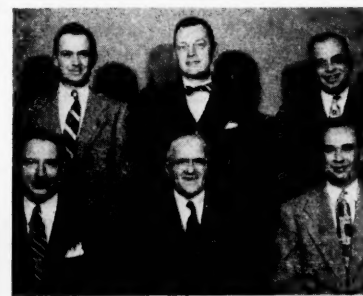
The Massachusetts research commission on insurance in its report to the legislature disapproved the idea of extending group life to dependants of injured workers. It favors easing restrictions on trade association disability cases.

The commission asked to be continued through 1954 and to be given the job also of recodifying the state's insurance laws.

## Names Two in So. Minn.

Pioneer Mutual Life of North Dakota has named **Ronald R. McKean** and **Karl F. Rolvaag** associate general agents for southern Minnesota. Both men will have headquarters at Rochester. They formerly were with Northern Life of Seattle.

● **Harry E. Butcher**, manager of the Puget Sound district of Prudential, discussed "Motivating Men" at a meeting of *Seattle Life Managers*.



**IN NEW POSITIONS WITH PROVIDENT MUTUAL:** Front row, **Edmund J. Brogan**, who has joined the company as assistant medical director after 15 years in private practice; **Charles E. West**, fellow of Society of Actuaries and 40 years with the company, who advances from associate actuary to actuary; **William A. Spare**, also a fellow of the society, who becomes actuarial assistant; back row, **Frederick J. Kiefner**, who joined Provident Mutual in 1935 and now becomes assistant manager of agencies; **Edwin E. Weller**, with the company since 1936 and assistant counsel since 1946, who becomes associate counsel; and **C. Sumner Davis**, 25 years with Provident, who has been director of agency department administration and now becomes associate manager of agencies.

## Convention Dates

Feb. 8-10, Health & Accident Underwriters Conference, medical forum and annual group meeting, Drake hotel, Chicago.  
March 15-17, LIAMA, Small Companies Conference, Edgewater Beach hotel, Chicago.  
March 17-19, LIAMA, A&H spring meeting, Edgewater Beach hotel, Chicago.  
March 22-26, National Assn. of Life Underwriters, midyear, New Orleans.  
April 21-23, Life Insurers Conference, annual, Boca Raton Club, Boca Raton, Fla.  
April 23-25, Federation of New York Insurance Women's Clubs, annual, Auburn.  
April 26-28, LIAMA, Combination Companies Conference, Homestead hotel, Hot Springs, Va.  
April 29-30, Society of Actuaries, eastern spring meeting, Hotel Chalfonte-Haddon Hall, Atlantic City.  
April 30-May 1, Kansas State Assn. of Life Underwriters, annual, Salina.  
May 3-6, H. & A. Underwriters Conference, annual, Hotel Roosevelt, New Orleans.  
May 17-18, Assn. of Life Insurance Council, Greenbrier hotel, White Sulphur Springs, W. Va.  
May 21-22, Illinois Assn. of Life Underwriters, annual, Decatur.  
May 25-28, Canadian Life Insurance Officers Assn., annual, Seignior Club, Montebello, P. Q.  
June 2, Fraternal Actuarial Assn., spring meeting, Edgewater Beach Hotel, Chicago.  
June 3-4, Society of Actuaries, western spring meeting, Edgewater Beach hotel, Chicago.  
June 7-11, National Assn. of Insurance Commissioners, annual, Sheraton-Cadillac hotel, Detroit.  
June 7-11, National Assn. of Insurance Commissioners, annual, Sheraton-Cadillac hotel, Detroit.  
June 14-25, American Life Convention, life officers investment seminar, Beloit College, Beloit, Wis.  
June 15-18, Million Dollar Round Table, annual, Hotel del Coronado, Cal.  
June 17-19, ALC medical section, annual, Grand hotel, Mackinac Island.  
Aug. 11-14, Federation of Insurance Counsel, Schroeder hotel, Milwaukee.  
Sept. 13-15, Bureau of A. & H. Underwriters, annual, Broadmoor hotel, Colorado Springs, Colo.  
Sept. 20-24, National Assn. of Life Underwriters, annual, Boston.  
Sept. 27-29, Life Advertisers Assn., Sheraton-Gibson hotel, Cincinnati.  
Sept. 27-29, Life Office Management Assn., annual, Shoreham hotel, Washington, D. C.  
Oct. 5-8, ALC, annual, Edgewater Beach hotel, Chicago.  
Oct. 13-15, Assn. of Life Insurance Medical Directors, annual, Royal York hotel, Toronto.  
Oct. 21-23, Mid-West Management Conference, French Lick Springs hotel, French Lick, Ind.  
Nov. 8-12, LIAMA, annual, Edgewater Beach hotel, Chicago.  
Nov. 15-18, H. & A. Underwriters Conference, underwriters forum, Hotel Roosevelt, New Orleans.  
Nov. 17-19, Institute of Home Office Underwriters, annual, Roosevelt hotel, New Orleans.

State Farm Group has opened a new office at Richmond, Va. John E. Cummings and M. E. McGehee are the agents.

● **United L. & A.** entertained 21 children at its annual Christmas party at Concord, N. H.



## There are Unusual Opportunities in Other States, Too!

Similar fine organizational opportunities await other good men in various cities and groups of counties (and other states yet to be developed) throughout the country. You, too, will deal direct with the home office. We are now in the process of building a vast organization of top producers to participate in our 50th Anniversary Celebration. But meanwhile profit immeasurably by representing us NOW! Better act quickly!

## These Five Fertile Fields Await Profitable Cultivation!

In an active program to build business in **ILLINOIS, WISCONSIN, CALIFORNIA, PENNSYLVANIA** and **SOUTH DAKOTA**, this strong, aggressive life company seeks high-calibre men. If you live in any of these states, learn what a splendid future you can have by growing with us.

This can well prove to be an unusual LIFE opportunity to develop business by appointing sub-agencies and selling our portfolio of time-tested insurance. You will have direct contact with the home office. Immediate field training and sales assistance will be provided personally by our State Manager at no cost to you. You will also be further backed by proved and profitable promotions to develop leads that will help you make sales and obtain agents. If you have the ability, this is your chance to build a fine and lucrative agency. Are YOU the man in your state who can grasp this opportunity?

● Phone, wire or write quickly to **Alexander MacArthur, Vice-President**.

**CENTRAL STANDARD LIFE**  
Founded 1905  
**INSURANCE COMPANY**  
211 W. Wacker Drive Chicago 6

## Insurance Teachers Give Views on Basic Course

(CONTINUED FROM PAGE 3)

and period of installment purchase—emerge.

The student is then shown how the resulting plans may be combined with an endowment feature. A description of various combinations leads to a discussion of the different standard and special plans of insurance and the uses to which they are adapted. At this point the cost of insurance analysis is developed, placing emphasis on the decreasing amount of risks which results from the level premium plan and the subsequent decreasing burden of mortality cost.

Annuities are described as essentially the reverse of level premium life insurance, that is, as an arrangement for paying out an accumulated fund rather than a process of accumulation by which a given fund is created.

As the discussion proceeds, premium calculation problems of increasing difficulty are assigned. Reserve systems and dividends are then considered, followed by a discussion of terms of the policy and their uses. Legal aspects of life insurance are worked in at this point. Special types of benefits and special forms of life insurance such as disability benefits, double indemnity provisions, group and industrial insurance are then considered, followed by topics having to do with functional aspects of the business—selection of risks, treatment of substandard cases, investments and marketing organizations and methods. The remaining

topics have to do with the institutional aspects of life insurance regulation and taxation, social and economic implications, and historical developments.

Mr. Hedges said that ample time seems to be afforded in a three semester-hour course such as Indiana's for a reasonably adequate treatment of the topics he outlined.

He mentioned that although CLU preparation is not a primary objective he believes that students who do well in the basic life insurance course are well prepared for part A of the CLU examinations. However, seniors are permitted to take a three-hour CLU review course in which they re-orient or point up their knowledge with specific reference to part A and other parts of the CLU examinations. Seniors frequently take and pass from two to three of these examinations and the better qualified seniors are encouraged to attempt whatever their individual situations seem to warrant. Mr. Hedges prefers and uses the Maclean text. Some students object to it as difficult in certain parts but he said he is not concerned with these objections since the ones who complain are not among the strongest in the class.

Others on the staff are permitted to select the texts they prefer.

As for teaching methods, Mr. Hedges said his own preference is for the lecture system, so handled as to raise questions and promote discussions rather than merely being a recitation of the assignment given by the in-

structor. The lecture is used, rather, to highlight the material with which the student is presumed to be familiar, to present explanatory or supplementary material, to simplify difficult concepts, or to point out various relationships.

There are exercises to be prepared, particularly in connection with premium calculations, reserves, and the adaptations of policies to needs. Occasionally a short unannounced quiz is given on the day's assignment. Usually two or three hour examinations or tests are given each semester. Occasionally a term paper is required, frequently taking the form of a personal insurance program with modifications to meet assumed conditions at five or 10 year intervals up to the time of retirement.

Mr. Hedges warned against the assumption that an insurance student will necessarily go into insurance work. He said specialization should not be carried to a point that might jeopardize the student's ability to fit into any one of a variety of jobs. Usually the student preparing for a life insurance career actually follows his plan but the exceptions should be protected. Moreover, preparation for a successful life insurance career requires a broad cultural basis, a thorough knowledge of business practices and underlying theory as well as some knowledge of the techniques employed in various fields, in Mr. Hedges' opinion.

Mr. Fischer discussed various texts and also said he endeavors to round up as many books as he can that attack life insurance as a racket so that his students can read them and on the basis of what they have learned point out the sophistries, half-truths and downright lies. Mr. Fischer said he feels his course has been a success when a student who has been taken in by one of these books at some time in the past is able to see through them as a result of his studies.

Mr. Fischer said he had found useful a rat mortality table, an idea that he borrowed from Prof. A. H. Mowbray of the University of California. With an assumed maximum life span of seven years for rats, the premium calculations become so simple that anybody can do them with a pencil and paper. Not only is it simple but it amuses the students and this aids the learning process.

Other sessions of the AAUTI were reported in last week's issue.

### Sales Talk for S. F. Brokers

Insurance Brokers Exchange of California at a meeting Jan. 12 at San Francisco will hear a talk on "Third Phase Selling" by Jack White, Prudential manager at Los Angeles. Members of San Francisco Life Underwriters Assn. will be guests at the meeting.

### Homesteader's '53 Gain Is 7%

Homesteaders Life's 1953 new business showed a 7% gain. In December new business rose 10%, with the Whitaker agency at Denver leading all others. Jack Londen, Boulder, Col., was the leading agent in December.

### Lincoln Liberty Reduces Rates

Lincoln Liberty Life of Nebraska has reduced premium rates on most policies. Reductions average about \$1.50 per \$1,000 on whole life policies, and about \$2 on endowment and limited pay plans. Cash values are unchanged.

## Union Goes to Court to Get Details on Its Group Plan

An action has been started in circuit court at Milwaukee by local of the CIO United Automobile Workers seeking to force Hotpoint, a General Electric division, to provide information concerning its group life, A. H. and pension plans. Metropolitan the insurer, also was made a defendant in the suit.

The complaint asks for a complete accounting, including the amounts that have been paid into the plan by company and employees, amounts benefits and the names of those who are administrators and serve on pension board.

The president of the union, the complaint states, has asked for and been refused the information he seeks. Plaintiffs' attorney said the suit might have nationwide implications for other unions which would like to get similar information at other GE plants.

## Mathis Writes \$1 Million in 1953 at the Age of 75

Though enough of a record in himself, John A. Mathis, general agent, Union Life of Arkansas at Artes N. M., added luster to attaining a million of production in 1953 by doing it during his 75th year.

Mr. Mathis, who joined the company when he was 63 years old, set the \$1 million goal and by Dec. 31 his submitted business amounted to \$1,053,000. During the year, he wrote 77 cases ranging from \$1,000 to \$100,000, an average of \$13,675 per case.

Mr. Mathis' record won him a company's agent of the year honor for the fifth time, and he will receive the award at the 1954 convention Little Rock next March.

## To Set IHOU Meet Plans

The executive committee of Institute of Home Office Underwriters will meet at Cincinnati Feb. 26 to appoint committees and discuss plans for annual meeting to be held at Roosevelt hotel, New Orleans, La. 17-19. J. H. B. Peay, Jr., Life of Virginia, is institute president.

Farm Bureau Life of Michigan, Peoples Life of Indiana, Magnolia Life of Louisiana and Austin Life of Texas have been admitted to the institute bringing membership to 240 companies.

## Switches From TV to Radio

Mutual Benefit H&A has signed present Bob Considine in a 15-minute news commentary over Mutual network starting Jan. 24, 6:30 p.m. EST. The company has cancelled its telecast with Mr. Considine, 15 minutes on NBC.

## Kent Chicago Agency at New High

The Chicago agency of Prudential that has been headed by Sidney J. Kent, recently promoted to director agencies in the Mid-America region, home office, is celebrating its 60th anniversary. Its ordinary life sales in 1953 reached a new record of \$10 million. The agency also led all others in the company in A&H sales.

When Mr. Kent took over the agency in 1946 it ranked 58th in volume among the then 62 Prudential agencies in the U. S. and Canada. It now is 9th place among 107 agencies.

## Steinberg Agency Record

Steinberg Associates, the Jamaica N.Y., agency of Massachusetts Mutual Life, produced \$2,007,718 of business in 1953, a record. Carl Fogel, completing his first year in business, led the agency with \$401,125. The agency's production was on 127 lives for an average of \$15,809 a life.

## WANT ADS

Rates—\$18 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER—LIFE EDITION

### Want to be a Life General Agent?

Opportunities in Mississippi, Arkansas and Kentucky (some personal-producing general agent openings.) Top commissions. Extensive line with unique policies and attractive savings plan. Set-up ideal for experienced agents who can sell and want their own agency. Old line mutual legal reserve company. Our men know of this ad. Write Box V-44, The National Underwriter, 175 W. Jackson, Chicago 4, Ill.

### HOME OFFICE OPPORTUNITY

Real Agency Department Opportunity. Opening for good man, under 40, with well established old line legal reserve company. Home Office in North Carolina. Want person capable of selecting, training, and supervising men. Expansion program requires additional agency department personnel. Rapid advancement for qualified man. Reply in strictest confidence to Box W-4, The National Underwriter.

### AGENCY MANAGER

Old Line Legal Reserve, full capital stock company desires services of a man capable of building and maintaining an Agency. Only two whole line companies domiciled in this State. Opportunities unlimited. Our company agency minded. Write Box V-85, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### UNUSUAL OPPORTUNITY

Progressive medium-sized midwestern life insurance company needs a field representative to promote its Credit Insurance program. Give detailed account of experience and income requirements. Want you to grow with us. Reply in strictest confidence to Box V-99, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### ATTENTION MR. COMPANY PRESIDENT

Would you like intimate and efficient H.O. supervision of your agencies in the Central States Area by a successful, practical and dependable resident agency officer? If so, address V-98, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### CHIEF ACCOUNTANT AVAILABLE

12 years' experience with Michigan Department of Insurance as examiner, past four years as senior examiner in charge of examinations, desires connection with well established Life or Casualty company. Address W-3, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### OPPORTUNITY

Life and accident and health company in hundred million category needs home office supervisor. Under age 35, willing to travel and capable of taking full agency responsibility within five years. Write in detail to Box W-8, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### ACTUARY—RETIREMENT

California invites applications from qualified actuaries anywhere in U.S. for top actuarial position in state retirement system. Must have five years' highly responsible experience in public employees' retirement system, or as consultant to actuarial firm dealing with such systems, or in a non-insured private employees' retirement system. Examination in or near applicant's home town. Interview in California only. \$521-\$1,000 monthly. Write for application to State Personnel Board, 1015 L Street, Sacramento 14, Calif.

### INSURANCE OPPORTUNITY H. O. LIFE UNDERWRITERS

Selection Department of N.J. insurance company has opportunity for experienced underwriter. High starting salary, regular increases, excellent opportunities for advancement, liberal pension plan, group life insurance, hosp. and surg., etc. Write to Box W-10, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill., stating experience and salary requirements.



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#### FRANK M. SPEAKMAN

CONSULTING ACTUARY

ASSOCIATE  
E. P. Higgins

THE BOURSE PHILADELPHIA

### BBBs Issue Fact Book to Give A&H Buyer Understanding of Cover

Assn. of Better Business Bureaus has issued a fact booklet on A&H insurance which will be used by the bureaus to assist the approximately 50,000 people a year who ask them questions about such coverage. About 90% of these people are prospective policyholders, the remainder have complaints, real or imagined.

Many months of research and consultation with insurance executives and associations have preceded preparation of *Facts You Should Know About A&H Insurance*. Distribution will not be limited to BBB services. Many thousands of copies are expected to be used for employee distribution through company reading racks and industrial personnel programs of the 65,000 business firms—members of BBB, and through schools, libraries and civic organizations. Insurers may purchase copies for distribution from their local BBB.

The booklet, a companion piece to the association's fact booklet on life insurance, deals with individual and family A&H, not group. After reviewing the prevalence of accidents and sickness, their cost and the need for insurance, the booklet discusses policies now available and the four general insurance plans—income disability, hospital, surgical and medical.

However, when it reaches limitations the booklet begins to perform ably the much needed job of explaining those facts, contractual, underwriting and the like, where ignorance or faulty information lead to many of the complaints about the coverage. It deals with such matters as the economic unsoundness of providing 100% coverage, the troublesome *confining* and *non-confining*, pre-existing conditions; the hard to understand but contractually essential exclusions, riders and waivers, and, of course, elimination and waiting periods.

Why the application is taken and the legal weight of the applicant's answers to its questions are explained clearly for the layman.

In discussing costs, the booklet points out that cheap insurance is usually very limited coverage.

"The hazards you need to have covered," the booklet states, "are those to which you are most exposed and those which will create large losses and costs if they do occur. The so-called bargain will not provide this... It may eliminate the very coverage you might need. There is no magic which can furnish broad insurance coverage and sweeping protection at unbelievable bargain rates. One can't buy steak for the price of turnips or a yacht at row boat prices."

The section on "Points to Observe When Buying" covers a number of things the buyer should check: Is the company licensed in the buyer's state (though there are some unlicensed companies which render excellent service)? Know the agent or get references of persons to whom his company has paid claims. Above all know the policy. Here are set out a number of questions. The booklet comments that contrary to popular impression there is no fine print in the policy, what you don't get is shown in good sized print or bold faced type.

The importance of knowing the policy cannot be stressed too much. Failure of insured to understand his coverage is the cause of many complaints, the booklet declares.

The questions asked most often by buyers are set forth, along with answers. These questions are: How and when will my claims be paid? Can I choose my own hospital or doctor? What happens if I'm injured while

working on the job? How do I know the rates are competitive? Can I increase or decrease the amount of coverage in my policy? Can I insure my wife and children on this policy? Does it pay for eye glasses and dental work? Do I have to take a physical examination to buy the policy? If I have two or more policies covering the same accident, illness, or hospitalization, will each policy pay the amount stated in the policy? What happens if my insurance lapses?

Analysis of complaints by bureaus emphasizes the importance of policyholders understanding all the terms of their policies and knowing what the benefits are and what they are not, the booklet states.

Sources of information are listed—the insurance company or agent, Bureau of A&H Underwriters, H&A Underwriters Conference, state insurance department and BBBs.

### Badger in Bismarck Post

Harry H. Badger has been appointed general agent at Bismarck, S. D., for Western States Life. For several years he has been with Sun Life, both as an agent and unit supervisor at Winnipeg. He is a Canadian army veteran.

### Schnabel San Antonio Chief

O. P. Schnabel, Jefferson Standard Life, has been elected president of San Antonio Life Managers Club. E. C. Hutchings, Metropolitan, is vice-president and Oscar Dowell, Great National, secretary.

### Correct Home Beneficial Titles

In reporting three Home Beneficial Life promotions in the Dec. 25 issue, new titles were mistakenly given as vice-presidents. C. Carlisle Snead, Braxton B. Baker, Jr., and Lacy M. Jacobs actually have been advanced to assistant vice-presidents.

## AGENCY SUPERVISORS NEEDED IN EASTERN MICHIGAN AND SOUTHERN ILLINOIS

### HAVE YOU THE ABILITY TO HIRE AND TRAIN MEN?

If you are interested, contact THE FRIENDLY COMPANY. Positions carry salary, expenses and overwriting.

If you are the man, real money can be earned under our plan.

All replies held in strict confidence.



AGENCY DEPARTMENT  
**PEOPLES LIFE INSURANCE COMPANY**  
FRANKFORT, INDIANA

### Fatal Overdose Not Under Double Indemnity Provision

St. Louis court of appeals has upheld a decision of St. Louis circuit court, which released Western & Southern Life of any obligation to observe the double indemnity clause in the contract of a policyholder who died as result of taking an overdose of a medicine containing paraldehyde.

Judge Anderson, in accepting the evidence that James E. Murphy had died after taking the medicine, instructed the jury that it could not be permitted to speculate on whether the deceased deliberately swallowed an overdose or whether he did so accidentally.

The Western & Southern Life policy for \$500 was issued to Mr. Murphy in 1943 and he died in 1950. The company paid the ordinary death benefit to his administrator, who, as plaintiff, then brought suit for recovery of a like amount under the double indemnity clause.

Judge Anderson declared that an accident, to come under the clause, must have an "unexpected" means, in other words, that the deceased must not have been aware that he was taking paraldehyde, "but in the instant case the insured knew he was taking paraldehyde, and the only thing unexpected was the result."

### Set Insurance Counsel Dates

Federation of Insurance Counsel will hold its annual gathering at the Schroeder hotel, Milwaukee, Aug. 11-14.

Almost \$15 million was paid to Blue Cross subscribers and their families in 1953, Arthur M. Calvin, president of Minnesota Hospital Service Assn., has reported. This figure compares with \$12,500,000 in 1952. Blue Cross overhead expense was reduced to an all time low of 7.2% of income.

## Record New Business Total Noted by N. W. Mutual

(CONTINUED FROM PAGE 1)

begin about April 1." Pointing to what he called an interesting trend noticeable at this time, Mr. Hill said many veteran agents are entering into partnership with younger agents in a manner quite different from the usual joint work idea prevalent in life insurance. Citing several cases, he referred to an outstanding one that has been operating very suc-

cessfully at Nashville where four agents of varying years of experience formed a partnership. In another instance in New Hampshire, a leading veteran agent brought a relatively new agent in with him.

"This type of association, in addition to offering an outstanding opportunity to a young, qualified agent, makes possible a multiplication of the talents of the established, experienced underwriter," Mr. Hill pointed out. "It enables him with his junior associate to follow up on the many leads from family situations and other sources that can result in business."

Mr. Hill was also optimistic about the future, saying that anyone who has read recent articles in the newspapers and trade journals about the economy and the growth in population should have no doubts about the Northwestern Mutual market in the scheme of things. Specifically citing material in Kiplinger Service and Life magazine, Mr. Hill declared that "growth possibilities are tremendous."

Recalling what President Fitzgerald said at the meeting a year ago, Mr. Hill pointed out that a University of Michigan survey showed that 51% of Northwestern policyholders had attended college as against 17% for the average insurance buyers, while 55% of Northwestern policyholders are in the professional, white-collar, self-employed and managerial categories, as against 20% for the general run of buyers; that whereas only 6% of the average buyers of life insurance earned \$10,000 or more a year, the figure for Northwestern is 22%, while the \$5,000 to \$10,000 range the figures are 33% for Northwestern and 15% for policyholders generally.

Mr. Hill mentioned that Charles T. Broderick, economist of Lehman Bros., New York City securities firm, had left no doubt in his talk at the previous day's session that the country has been in "real" so-called recession for the last six months, a healthy sort of leveling off. Yet, Mr. Hill observed, life insurance sales of all companies have been booming—"ours, you know, being the best in the entire history of the company," while agency and individual production records have been broken on all sides.

As an indication of the way the volume performance of Northwestern agents has increased, Mr. Hill pointed out that in 1940 the 100th agent from the top in the paid-for standings for the year paid for \$238,000. By 1945 agent No. 100 was paying for \$465,000, and in 1950 it took \$549,000 to achieve that rank. However, for 1953 the 100th man from the top of the totem pole had to pay for \$662,000.

As evidence of what can be accomplished by an agent who is zealous enough in his endeavors, Mr. Hill mentioned that Emory J. Wilson of Martinsville, W. Va., who addressed the luncheon for new agents the previous day, produced \$268,000 in December because he had set his sights on qualifying for the Million Dollar Round Table.

Economist Broderick, in his talk Monday, said the business trend is down on account of what he termed an "inventory recession." He said the nature of such recessions is to be short-lived, mild, and not usually serious. He opined that it would correct itself in about six months.

As for the long-term trend, Mr. Broderick predicted that by 1960 the index of production, now 228, would reach about 500 because of the tremendous population growth and the increase in the number of "household units," that is, family groups and those that buy as family units.

Verne Huber, general agent at Greensburg, Pa., pointed out that the individual agent can't do much about business conditions but he can do a lot about them as far as he personally is concerned by how he prepares himself to move into his market.

Sidney F. Greeley, Jr., a young agent who has been with Northwestern at Boston about four years, rapidly made himself a million-dollar producer by selling juvenile insurance, following up leads on orphan policyholders, and keeping alert to re-sell existing policyholders as needs and paying ability developed. He now has so many referred leads that prospecting is no problem.

Charles Edwards of Pottsville, Pa., told about his "\$2-a-Week Club." A former industrial insurance agent, Mr. Edwards concentrates on sales to young men 18 to 21 years old, selling them on saving \$2 a week until they have enough to pay a quarterly premium on life paid-up at 65. The "club" member gets a membership card to carry out the theme and act as a reminder of the project he has undertaken.

Rudolph F. Stegmann, Blue Point, N. Y., discussed Northwestern's insured savings plan. David M. Prince, Richmond, Va., talked on inspiration in selling.

Kimberly Cheney, Hartford, a former lawyer and trust officer, said he made the shift to selling life insurance because in his trust work he found life insurance entered into virtually all cases. He said he found greater satisfaction, both materially and spiritually, in selling life insurance than in the practice of law. He observed that renewals constitute a more lucrative source of income than most lawyers can expect from retainers. He feels the agent does more good for people and can help them in ways that a lawyer can't, since the agent can take the initiative in making his services available.

Charles E. Rosch, Baltimore, spoke on what Northwestern Mutual means to him.

That evening there was a dinner dance, at which Victor E. Henningsen, actuary, was toastmaster.

Tuesday morning Max Cohen, Boston, O. Alfred Granum, Amery, Wis., and Franklin W. Bowen, Charleston, W. Va., discussed various aspects of the company's planned income system of selling. Mr. Granum's talk is reported elsewhere in this issue.

Luncheon speaker was Dr. Norman Vincent Peale, well-known clergyman, author and lecturer of New York City.

Afternoon speakers were James F. Farr, Boston lawyer, who talked on the role of the attorney in estate planning; Charles E. Taylor, South Orange, N. J., who discussed partnership life insurance, and Vice-president Hill.

### Manufacturers Revises Rates

Manufacturers Life revised rates for single premium immediate annuities, with premiums lower for most plans and ages, although in a few instances the new rates are higher. The changes reflect the higher yields currently available on investments and the changes in mortality rates among annuitants as indicated by recent statistics. No changes have been made in the rates for single premium insurance plans or for the single premium guaranteed retirement pension plan.

## LIA Requests Role in Bohlinger-Guardian Case

(CONTINUED FROM PAGE 1)

sion in this case, to consider the superintendent's judgment uncontrolled, or controlled only by such meaningless criteria as what is 'best for the policyholder' or what are 'wise' investments is to uphold the evil of governmental management of private enterprise, effected under the guise of supervision, the brief states. "Every court of authority has expressed itself against such disguised confiscation."

"We contend that Guardian clearly established that the acquisition of the property is requisite for its convenient accommodation in the transaction of its business and that, moreover, the superintendent did not even challenge Guardian's evidence on this score."

Mr. Bohlinger contended that his disapproval was not subject to judicial review and that he granted the company a hearing only as a courtesy. In its opinion, the trial court gave its decision "assuming" but not deciding that the disapproval was reviewable. The Guardian brief takes issue with the department's stand on reviewability and states that "to disapprove an acquisition made by the company, in a decision made after a hearing given only as a matter of grace and which cannot be the subject of judicial review, could well be regarded as depriving the company of its property without due process of law."

## Palk, Rollo of Great-West Agency Superintendents

Great-West Life has advanced Edward A. Palk and Gordon P. Rollo from assistant superintendents of agencies to superintendents of agencies.

Mr. Palk joined Great-West in 1947, was advanced to agency assistant in



Edward A. Palk



Gordon P. Rollo

1949 and to assistant agency superintendent the following year. He is a graduate of the LIAMA management school.

Starting with the company in 1948, Mr. Rollo was an agent and supervisor at Halifax before going to the home office in 1950. Also an LIAMA agency management school graduate, he was made assistant superintendent of agencies in 1952.

### Lane Talks at St. Louis

Carl Lane, agency supervisor of General American Life, spoke on business A. & H. insurance and A. & H. insurance management at the Jan. 7 meeting of A. & H. Underwriters Assn. of St. Louis. David A. Truman, Columbia National Life, association president, was in charge.

### New Baltimore Life Rates

Baltimore Life is changing its whole life preferred class and paying higher than the minimum values required by law. The company is also now issuing a single premium life policy.

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Admitted Assets as of December 31, 1952

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# Case

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# FIDELITY

## well-balanced

A well-balanced company is, we believe, a company

- ... whose financial position is strong
- ... whose geographical market embraces a balance of metropolitan, town and rural areas
- ... whose policy contracts include all fundamental coverages . . .

It is a company

- ... whose contributions to its industry have been recognized as outstanding
- ... whose growth has been steady and uniform
- ... whose size is sufficiently large to assure confidence and prestige
- ... whose management, nevertheless, has never lost the common touch with agent and policyholder
- ... whose reputation as a friendly company has been consistently upheld

Fidelity is a well-balanced company

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- A - Test the agent's knowledge of the fundamentals of insurance.
- B - Test the agent's knowledge of the company's products and services.
- C - Test the agent's knowledge of the company's financial strength.

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that makes the job easier

Southland Life considers underwriting a profession and therefore conducts a series of valuable training courses which enable the Agent to do his best job.

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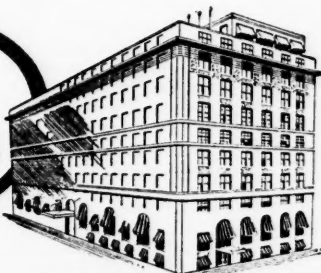
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NEBRASKA  
HOTEL DESOTO.....New Orleans

LUBBOCK  
HOTEL PLAZA.....Lubbock  
HOTEL LUBBOCK.....Lubbock  
HOTEL FALLS.....Marlin

NEW MEXICO  
HOTEL CLOVIS.....Clovis

SAN ANTONIO  
HOTEL MOUNTAIN LAKE.....Mountain Lake  
HOTEL MONTICELLO.....Marfa

SOUTH CAROLINA  
HOTEL WADE HAMPTON.....Columbia

SAN ANTONIO  
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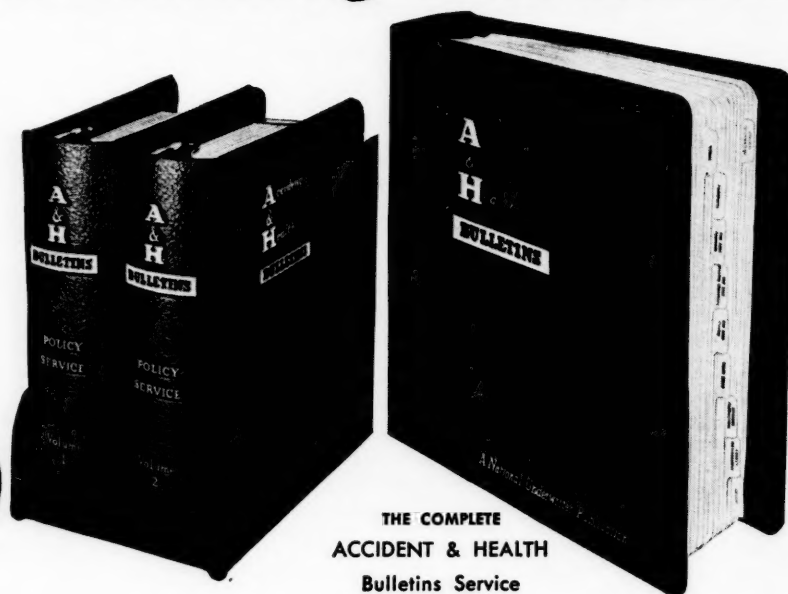
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2. a continuous up-to-date source of field-tested selling ideas and methods, factual information and visual aids.
3. a continuous up-to-date source of career material, with monthly quizzes, to assist in getting new men underway, to help life men write disability insurance, and to serve as refresher information for experienced producers.
4. a continuous up-to-date personal production aid, problem-solver and morale builder, especially prepared to help you help agents make money selling disability insurance along with or without life insurance.

... If you are an Agent the Service helps provide you with:

1. Descriptions of commercial type disability and non-cancellable policies and riders (including hospital expense, major medical expense, auto, polio, etc., as issued by 110 of the leading companies). Gives you the "right answers" to questions on premiums for all ages, coverages, exclusions, limitations.
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